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No. 861



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INTER-ASIAN AFFAIRS

BRIEFS

INDIAN RAILWAY COACHES TO SRV—Twenty-five railway coaches built by the state-owned integral coach factory at Madras are now ready for export to Vietnam. The order is expected to earn 25 million rupees in foreign exchange. The factory has another order of 25 coaches from Vietnam. [Text] [Delhi Domestic Service in English 0240 GMT 15 Dec 79 BK]

BANGLADESH-JAPAN ACCORD—Dacca, 14 Dec (AFP)—Civil aviation officials of Bangladesh and Japan ended their 3-day talks here today with both sides initialing an agreement to establish air links between Dacca and Tokyo. Under the agreement, which is to be signed by the two governments within 2 months, a Bangladesh airlines "Biman" will open its first flight from Dacca to Tokyo Narita early April, 1980. The flight will be initially once a week and will touch Bangkok and another South Asian airport (possibly in China) on way and back. The agreement, initialed today by Bangladesh Civil Aviation Secretary A.B.M. Mustafa and Japanese Ambassador Hironori Ito, will be Japan's second accord with a foreign airlines after the opening of Narita airport. The first one was signed with New Zealand. [Text] [BK161601 Hong Kong AFP in English 1725 GMT 14 Dec 79 BK]

JAPAN'S RICE TO BANGLADESH—Japan has agreed to provide Bangladesh with an additional 50,000 tons of rice on a deferred payment basis. According to an official source in Tokyo the shipment will be completed by March 1980. [BK161601 Dacca Domestic Service in English 1530 GMT 12 Dec 79 BK]

CSO: 4220

BRIEFS

HIGH-YIELD PADDY PRODUCTION--The KYEMON editorial of 10 November notes that in 1978-79 fiscal year, high-yield paddy was cultivated in 23 townships. The target was to plant 2.095 million acres of which 2.022 million acres were expected to be successful. The expected yield, calculated on the basis of 55.62 baskets [1 basket is about 1 bushel] per acre, was 112.5 million baskets. However, the actual cultivated acreage was 2.1 million of which 2.042 million acres were successful, producing 113.7 million baskets at a rate of 55.67 baskets per acre. In the 1979-80 year, high-yield paddy cultivation is being systematically undertaken on 3.405 million acres in 43 townships, of which 3.3 million acres are expected to be successful. The expected yield is 185.2 million baskets based on the production rate 56.12 baskets per acre. [Rangoon Domestic Service in Burmese 0140 GMT 10 Nov 79 BK]

CSO: 4211

SPACE RESEARCH CENTER DESCRIBED

East Berlin VOLKSARMEE in German No 45, 5 Nov 79 p 8

[Article: "Palms, Coconuts and Rocket"]

[Text] This summer, our author took part in the 22nd General Assembly of the International Committee for Space Research (COSPAR) in Bangalore, metropolis of the South Indian state Karnataka, where more than 500 scientists from 35 nations discussed the latest findings in their field. Then he traveled the continent between the Himalayas and Cape Komorin, Bombay and Calcutta, and visited the leading space research centers and rocket launch sites. Today he reports about the "Vikram Sarabhai" Space Research Center (VSSC), to which the equator missile base in Thumba (TERLS) also belongs.

Somehow the whole things reminded me of Cape Canaveral: along a magnificent palm beach, between coconuts and lagunas, are the launch pads and the bunkers, the control center and radar stations. Thumba is of course not as large, since it is not a lunar launch site but merely one for launching research and meteorological rockets. But at present there is more activity here on the Indian West coast than there is on the American East coast; because from Thumba, an average of 100 rockets are launched annually, as opposed to barely 25 missiles at Cape Canaveral. India's largest space research center can also boast of 4,000 workers, whereas the Kennedy Space Flight Center today employs only 7,000 of the formerly 26,000 workers.

Public relations manager Dr A.P. Rajagopal, a large, friendly man from the North, who traveled with me all across the country, explained why--of all places--Thumba, 16 km north of Trivandrum (capital of Kerale), was chosen: "There are four good reasons for it, based primarily on its favorable geographic position and climatic conditions:

As paradoxical as it may sound: Thumba is situated north as well as south of the equator, that is to say, 8°32'34" north of the geographical, and 0°24' south of the geomagnetic equator, which runs a different course corresponding to its magnetic poles. Therefore, TERLS is the only rocket launch site in the world which renders possible direct exploration of phenomena in the upper atmosphere and the ionosphere above the geomagnetic equator.

The Indians call the eastern 76th degree of longitude, at which Thumba is located, the meridian of friendship. The Soviet Union also has various launch sites for meteorological rockets in the Arctic, the middle latitudes and the Antarctic. Simultaneous launches from these points make it possible to gain a global atmospheric picture of this meridian from the North Pole to the South Pole.

Thumba, located where the Arabian Sea and the Indian Ocean merge, offers an extraordinarily favorable launch site covering an area of more than 250 km with an 85° angle of elevation and azimuth angles of 190° to 300°.

And finally, Thumba has "typically" Indian climate and weather conditions: a temperature between 20°C and 35°C, 140 days of rain, southwest monsoon from May until September, northeast monsoon from October to December."

1,000 Rockets--400 From the Soviet Union

"Our research center bears the name of the late founder of the Indian space program, Prof Dr Vokram Sarabhai," according to Dr Bramh Prakash, director to the VSSC. "The first rocket launch from TERLS occurred on 21 November 1963. Since then, more than 1,000 rockets of 25 different types have been launched at Thumba, 400 of which were meteorological rockets M-100, given to us by the Soviet Union. They climb up to a height of 90 km, and measure temperature, wind, atmospheric pressure and humidity. The Soviet Union is one of our oldest and truest friends, who helped up launch our first Sputnik, 'Aryabhata' from Kapustin Yar on the Volga on an intercosmic rocket in 1975, and our first ground surveillance satellite, 'Bhaskara' in 1979. Here, we work together with scientists and technicians from different countries such as Bangladesh, Bulgaria, the GDR, France, Great Britain, Japan, Canada, the Soviet Union and the United States. In February 1978, the United Nations announced its patronage of the TERLS international rocket launch site."

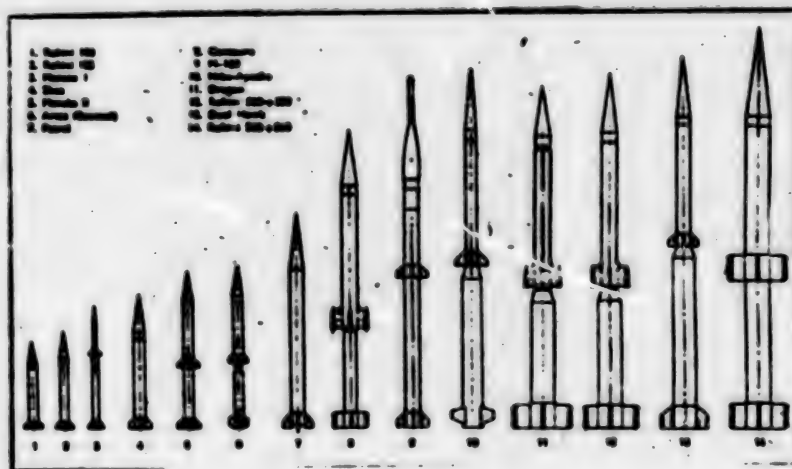


A moveable launch pad for research rockets in Thumba (TERLS)

I saw many signs of Indian-Soviet friendship in Thumba: the MINSK-2 computer for electronic data processing, the Mi-4 helicopter for the observation of rockets and the retrieval of measuring devices descending on parachutes, permanent and mobile radar stations to monitor the course--presents from the Soviet Union for the Thumba installation. Between 1964 and 1969, Soviet measuring devices went up repeatedly with "Centaure" rockets, which India deploys under French license. With these experiments in altitudes of up to 100 km, it was possible to gather important information about the upper layers of the earth's atmosphere in the equator belt.

The Indian-Soviet cooperation received a new impulse through a protocol signed on 14 May 1970 in Moscow, about systematic research with the help of Soviet rockets for the improvement of weather forecasts. On 9 December 1974, the first M-100 was launched at TERLS, at the beginning of 1979 the 400th. That means one launch per week on the average!

No wonder then that deep in the south of India, Russian can be heard frequently--spoken by Soviet specialists who work here and by Indian experts who studied and worked in Russia. Dr Gennady Volkov, who takes part in launch preparations of M-100 rockets, explained: The Indians have an aptitude for technology and master it quickly. I depend on them, because each one of them has experienced several launches. But here we go by the unwritten law, not to predict that the launch will be successful, because this is a complicated thing..."



A few of the rocket types launched in Thumba

During my visit there was a countdown. It began long before the start with the installation of the scientific payload in the rocket head and led over the transport of the rocket by special device to its mounting on the launching pad. At "X minus 15 minutes" the launch site had to be cleared. The rocket technicians observed the launch from bunkers called "blockhouses," not far from the launch pad, which offered protection. Scientists and guests went to the control center, which provided a view of the launch site as well as of the open sea. The flight director counted over the microphone: "...10...5...4...3...2...1...0!" Like an arrow, the slender rocket, on its tail of fire, shot into the night sky.

The Indian scientist Dr M.Rao said: "The help which we are receiving from the Soviet Union and from other countries is bearing fruit. National cadres are being trained in Thumba which are now able to solve complex scientific and technical problems. An efficient space-industrial complex is developing

here. Here, an international advisory council is actively participating in putting together research programs. Under United Nations leadership, even the scientists and technicians from developing nations are mastering the theoretical and practical problems which occur in meteorological research."

9328

CSO: 4402

INDIA

BRIEFS

ENVOY TO MEXICO ACCREDITATION—D.S. Kamtekar presented credentials as ambassador of India to the president of the United Mexican States on 5 December. [Text] [BK161355 Delhi ISI Diplomatic Service in English 1446 GMT 10 Dec 79 BK]

TRINIDAD, TOBAGO HIGH COMMISSIONER—The new high commissioner of Trinidad and Tobago, Mr Nathaniel Hazel, presented his credentials to the Indian president in New Delhi 14 December. [BK161355 Delhi Domestic Service in English 1230 GMT 14 Dec 79 BK]

GDR-INDIA JOINT PROJECTS—The German Democratic Republic has expressed its willingness to be India's partner in some of the projects it has contracted in the third countries. This follows week-long discussions between delegations of the two countries which concluded in New Delhi 13 December. During the discussions the two sides reviewed the progress in India—GDR projects and identified new areas of cooperation. [BK161355 Delhi General Overseas Service in English 1000 GMT 13 Dec 79 BK]

CSO: 4220

DISAGREEMENT ON DEVELOPMENT PLANS FOR BATAM ISLAND EXPRESSED

Jakarta SINAR HARAPAN in Indonesian 28 Sep 79 p 15

[Article: "Batam Island Is Not Focus of Indonesian Development"]

[Excerpts] On Thursday afternoon [27 September], Dr B. J. Habibie, state minister for research and technology (RISTEK), said he would not sacrifice national interests for material gain in connection with the development of Batam Island.

"This is my guideline," he said after being received by President Suharto at Bina Graha to obtain guidance regarding the visit of the chief of state of Singapore in connection with the development of Batam Island.

Habibie feels development of Batam Island should support overall Indonesian development. "It is hard for us to accept what Singapore Prime Minister Lee Kuan Yew said about the development of that island," the RISTEK minister said.

In discussions with President Suharto, Prime Minister Lee threw out the proposition that Singapore would grant credit to Indonesia for the island's development if Singapore were given management of that island.

Habibie said this proposition was emphatically rejected by the Indonesian side because Batam Island is part of the Republic of Indonesia.

According to the minister, this did not mean that the Singapore side had no confidence in Indonesia, because we should keep in mind that that nation focuses its activities on trade and services.

Habibie said negotiations have been underway with Singapore to obtain a \$1 billion loan with a 10-year repayment period. Yet this is not a factor which would determine the success of the island's development.

What would determine the success of Batam Island development is the scenario which we prepared for its development. Habibie noted, for instance, that if many investors appeared to be interested in setting up businesses there, we could prepare a scenario and develop Batam Island ourselves.

What Prime Minister Lee mentioned can be taken as confirmation that the island's development is of significant importance to Singapore. If this is a valid conclusion, a form of cooperation could be achieved through joint contributions without sacrificing the national interests of either side.

"I shall make use of the momentum created by Pak Lee Kuan Yew's 'interest' (his attraction to -- Editor) in Batam Island for national interests," said Habibie. This new problem does not mean that the whole matter must be rehashed.

The RISTEK minister will hold further discussions with Prime Minister Lee at the end of October on possible forms of cooperation.

He affirmed that there would be no negotiating in future discussions.

Habibie said Indonesia's and Singapore's ideas on Batam development clash, and there is no chance of further negotiation, since negotiations will not solve the problem.

6804

CSO: 4213

DISPUTE IN INDONESIAN DEMOCRACY PARTY

Jakarta KOMPAS in Indonesian 23 Oct 79 pp 1,6

[Article: "Again The PDI Problem; Two Patterns of Thinking Exist For Settling The Dispute"]

[Excerpts] The internal problem in the Indonesian Democracy Party [PDI] is at present very complex and is related to the central executive council [DPP] and the regional executive councils [DPD] as well as their activities. On 22 October general chairman of PDI's DPP [DPP-PDI] Sanusi Hardjadinata told reporters that the problem has become ever more complex in view of recent developments regarding democracy.

To solve this complex problem, Sanusi says there are two viewpoints developing in the PDI. The first viewpoint feels that the existing problems ought to be settled through negotiations in accord with the "rules of the game" made by PDI itself. He holds this viewpoint himself.

The second viewpoint feels that the solution to the PDI dispute could be undertaken through negotiations but the PDI situation is so complex that it would be better to turn it over to the authorities, in this case to the government, to make a final decision. This second viewpoint, said Sanusi, can be seen in the contents of the DPP-PDI letter sent to the DPDs and to the branch executive councils [DPC] throughout Indonesia and dated 8 September.

The letter was signed by Sabam Sirait and Hardjantho as secretary general and chairman of the DPP-PDI. It was explained in the letter that the composition of the DPP-PDI was being returned to what it was on 16 January 1978 and the government was being entrusted with the responsibility to form a national committee [to hold] a congress, with names being submitted by both sides. It is hoped in this way that the composition would consist of elements from the DPP, DPD and from PDI's younger generation.

The internal dispute in the PDI was started by Achmad Sukamardidjaja on 25 November 1977 when he reshuffled the DPD-PDI under the leadership of Sanusi Hardjadinata and Usep Ranawidjaja. Achmad replaced there two leaders with Mh Isnaeni and Sunawar Sukowati. Then Wilopo S.H. who is chairman of

the supreme deliberative council at the time offered his services as mediator to solve the dispute. But reunification of the PDI was only accomplished by the political solution of 16 January 1978 being agreed to after Bakin [State intelligence Coordination Agency] intervened.

The next dissension couldn't be stopped and on 24 November 1978 Sanusi Hardjadinata removed Mh Isnaeni and Sunawar Sukowati from the DPP-PDI because they were both always acting without regard to procedure by forming rival DPD in the regions. Then Sunawar Sukowati who called himself "PDI's chief executive" took reciprocal action against Sanusi by reliving him from his position as the head of the former PNI [Indonesian National Party] faction and then appointed Mh Isnaeni as acting general chairman of the DPP-PDI.

Then another group emerged in the PDI which held a national conference [Munas] at Pandaan, East Java. They drew up a plan of action and felt that the PDI solution shouldn't deviate from the principles laid down by the Munas at Pandaan. Those who took part in the Munas at Pandaan included Hardjantho Sumodisastro and Sabam Sirait who spoke of the need for regeneration in the PDI organization.

With this idea of regeneration the Pandaan group felt that the reliving of Mh Isnaeni and Sunawar Sukowati from responsibility in the DPP-PDI also excluded them from all political activities. Then a new note was heard that Sanusi Hardjadinata and Usep Ranawidjaja should also be fired. With this it was hoped that these four wouldn't be active anymore in politics.

In these circumstances, Sanusi rejoined Isnaeni because he was fearful of the plan to exclude them from the political arena with help from outside the PDI organization. "So the idea of regeneration was only a tactic to set aside the four individuals," said Sanusi Hardjadinata.

7785

CSO: 4213

DUMAI HYDROCRACKER, INVENTORY OF STATE ASSETS

Jakarta KOMPAS in Indonesian 22 Oct 79 p 6

[Article: "Hydrocracker Still To Be Built At Dumai"]

[Text] The government still wants to construct the hydrocracker project at Dumai which can process LSWR (low sulphur waxy residue) a residue from oil into fuel oils such as kerosene, etc.

This information was given by Director General of Foreign Monetary Affairs of the department of Finance Drs Sugito when answering a question by the Budget Commission on the subject in a working session between the minister of finance and the commission.

The estimated cost of the project is between \$700-750 million. Of this amount the Indonesian government will provide 9.5 billion rupiahs or \$15.7 million.

According to Sugito, the project will be submitted by the government to foreign firms to make possible a joint venture between those firms and Pertamina [National Oil and Natural Gas Co]. The intention is so that the financing of other projects won't be hindered.

KOMPAS has received information from another source that if the hydrocracker project was financed by Indonesia alone, the cost would only be \$500 million and Pertamina could carry out [construction] using only Indonesian workers.

Every day Indonesia produces a total of 159,000 barrels of LSWR. At present this is sold through a foreign oil company but still as LSWR.

Meanwhile Director General of PKN (supervision of state assets) Drs Gandhi while answering a question on the inventory of state assets, said that the inventory still hasn't been completed. Work on it has continued for years and all government agencies are involved.

But Gandhi also said that the inventory of state assets at the department of public works has been made into a project and it is expected to be completed in the next 2 years. The department of public works was chosen because 60 percent of the national assets are in the public works sector and the department also probably has a better inventory system.

At the same time the director general of PKN using various illustrations described the difficulties in carrying out an inventory of state assets which up to now hasn't ever been attempted in Indonesia.

7785

CSO: 4213

PROSPECTS FOR TRADE WITH SOVIET UNION ASSESSED

Jakarta HARIAN UMUM AB in Indonesian 29 Sep 79 pp 1, 11

[Article: "MENDACKOP Radius Prawiro Says Prospects for Soviet-Indonesian Trade Are Good"]

[Text] As a developing nation, Indonesia is interested in diversifying exports such as rubber, coffee, and pepper. Such Indonesian interest has been well received by the Soviet Union, which from year to year continues to increase its purchases of natural rubber.

Radius Prawiro, minister of trade and cooperatives, gave this information to APN reporter V. Zinoviev of Moscow. Minister Radius and an Indonesian delegation visited the Soviet Union from 13 to 18 September at the invitation of the Soviet Foreign Trade Ministry.

According to Radius, Indonesia is trying to meet Soviet requirements for natural rubber. The Soviet Union has also submitted a list of commodities which have attracted Indonesian attention.

"In the discussions with Soviet Foreign Trade Minister N. Patolichev, Indonesia looked favorably on the list of Soviet goods to be introduced to the Indonesian public," said Radius.

Speaking about the unbalanced flow of trade between Indonesia and the Soviet Union, Radius said the trade deficit with the USSR was practically closed by the annual debt service payment by Indonesia to the Soviet Union.

Radius Prawiro said there were good prospects for expanding trade relations between the USSR and Indonesia. The USSR needs basic materials exported by Indonesia and other nations of South East Asia. A very large amount of these commodities could be imported by the Soviet Union from Indonesia, more than was imported in the past.

"Good prospects for expanding trade between the Soviet Union and Indonesia are opening up," remarked Minister Radius.

In expanding and developing trade relations between the two nations, he said certain difficulties must be overcome regarding both procedures as well as technical trade regulations.

The minister was attracted by the development of cooperatives in the USSR. Due to the attention given and the activities pursued by the Soviet government, cooperatives there have attained the highest peak of development.

"I was intrigued by the different types of stimulation used by the Soviet Union. This has made kolkhoz members interested in producing. I am convinced that with good management and the use of certain types of stimulation, good results indubitably will be achieved," he said.

While in the Soviet Union, the Indonesian trade delegation also had an opportunity to observe centers of local culture in Moscow and Leningrad, and the Maxim Gorky kolkhoz located near the city of Moscow.

6804

CSO: 4213

TEN DOMESTICALLY-PRODUCED ARMY LANDING CRAFT INAUGURATED

Jakarta HARIAN UMUM AB in Indonesian 3 Oct 79 pp 1, 8

[Article: "All Built Domestically: KASAD Officially Puts 10 Army Ships in Service"]

[Excerpts] On Tuesday morning [2 October], General Widodo, Army chief of staff, officially put 10 ships in service. They consisted of two LCU's (Landing Craft Utility) and eight LCM's (Landing Craft Mechanic). The official ceremony was marked by the signing of an inscription by the chief of staff on the deck of the "ANDRI-XXXII" docked at Tanjung Priok. The "ANDRI-XXXII" is one of the 10 new Army ships officially put into service.

These ships were constructed under the Army work program for 1977-78 which provided for all work on the ships, including fitting out, to be completed within 6 months. They cost 1.160 billion rupiah.

According to Colonel Hartedjo, because of KENOP 15 [15 November 1978 devaluation], the company that constructed these ships submitted a 26.5 percent cost overrun. However, this request is still under consideration by the Army chief of staff's logistics staff.

According to an officer who handled the construction of these ships, LCU's cost 330 million rupiah, for Lighters, and 384 million rupiah for motor ships. Each of the 7 LCM's cost almost 55 million rupiah; the LCM constructed especially for medical care cost 61.126 million rupiah.

Each of the 300-dwt LCU's, with a maximum speed of 9 knots, will be served by a 17-man crew. Each LCU motor ship is equipped with a helipad which can serve two helicopters. All equipment is operated hydraulically. It is also equipped with a landing boat and a boat without a motor. It can transport tanks, panzers, and other heavy equipment.

The 30-dwt LCM's will be served by a 4-man crew and have a maximum speed of 9 knots. Each LCM can transport a reo truck and a jeep. The medical care LCM is equipped with an ambulance, a doctor, and two corpsmen. Eight patients can be treated in the ship.

The 20 Army sea transport ships operated by the Army Military Land Transport Service are estimated to be operable for 25 years. All of them have been constructed by five national companies: PT Ippa Gaya Baru, PT Kojja, PT Pakin, PT Adhiguna, and PT Union Yard.

A test of an LCU and an LCM was conducted for the officials who participated in the inauguration ceremony. Two helicopters landed on the helipad of the "ANDRI-XXXII," approaching from the left and right sides of the ship. The two helicopters were then "parked" on the ship.

A test was also conducted of the LCU "ANDRI-XXXII's" capability to transport combat vehicles. Four tanks and panzers -- two V-150 panzers, a PT-76 tank, and a Saladin panzer -- disembarked one by one, and not long after embarked smoothly. Meanwhile, a reo truck and a jeep disembarked from the LCM and embarked.

All of these ships have been tried out several times successfully. Not long ago the "ANDRI-XXXII" was tested for its troop transport capability during KOPASSANDHA [Special Forces Command] training in Lampung.

Meanwhile Sukirdjo N.A., executive director of PT Ippa Gaya Baru, acting for the company leadership which constructed these ships, expressed warm appreciation for the pioneering Army policy on constructing these ships domestically. However, he regretted that some government and private agencies were still "leaning" toward constructing ships overseas, and considered the Indonesian shipbuilding industry incapable of doing such work.

6804

CSO: 4213

MINISTER DISCUSSES TRADE RELATIONS WITH EASTERN EUROPE

Jakarta KOMPAS in Indonesian 6 Oct 79 pp 2,3

[Article: "Radius Reports on Visit to Eastern Europe; Indonesia Has a Deficit Balance of Trade of \$41 Million"]

[Text] In 1978 Indonesia had a deficit balance of trade with Eastern Europe of \$41.3 million. Therefore, Indonesian exports to East European countries must be increased, Radius Prawiro, minister of trade and cooperatives, told newsmen on Tuesday [2 October], after meeting with President Suharto to report on his September visit to the Soviet Union, Poland, and East Germany.

The unbalanced volume of trade was discussed with these countries, the minister said. Total Indonesian trade with East European nations amounted to \$231 million in 1978. Indonesian exports to these countries were valued at only \$94.8 million, and imports at \$136 million.

Actually, with the exception of trade with Yugoslavia, trade with East European nations (Soviet Union, Bulgaria, Poland, Hungary, Romania, Czechoslovakia, Yugoslavia, and East Germany) is fairly balanced, but because Indonesia imports a considerable amount of goods from Yugoslavia, the overall balance of trade with Eastern Europe is in deficit.

According to the minister, the three countries he visited are interested in importing rubber, coffee, pepper, and lumber from Indonesia. In return, they are prepared to sell basic materials for industry such as textiles and material for the machine industries, such as steel plates. "The current problem is whether they can compete with other nations, particularly those in Southeast Asia," Radius said.

The minister remarked that the intent of Minister of Trade and Cooperatives Decision No 234, dated 15 November 1978, was also clarified to the Soviet Union, Poland, and East Germany. This decision established the handling of Indonesian trade with Eastern Europe by a coordinator. Trade is handled by a coordinator not only with Eastern Europe, but also with West Germany for tobacco, with the Netherlands for pepper, and with the Middle East.

Initially, East European nations felt discriminated against by the requirement of coordinated trade with Indonesia. "They understood the situation after the decision was clarified," Radius said.

Replying to a question regarding the cessation of exports of Indonesian ready-made clothing to the Netherlands, the minister said this was connected with the falsification of the "certificate of origin" for ready-made clothing exports from Hong Kong to a number of European nations, for instance, to England. Hong Kong exporters said the ready-made clothing originated in Indonesia. This violated the GSP (general preference system) for a number of commodities exported by developing nations, such as the decision that a certain percentage of domestically-produced material must be used in such exports.

According to the minister, the export of ready-made Indonesian clothing to the Netherlands was halted only temporarily until that country could take the necessary steps against the importation of commodities said to have originated in Indonesia. The minister is aware that these Hong Kong exporters have "accomplices" in Indonesia. "They are being investigated," Radius said.

When asked about the rupiah, Radius contested the view that the rupiah should be revalued. "It is not necessary," the minister said, adding that proof was provided by the increasingly stronger support given to Indonesia's exports. "However, we must continue to be on guard to insure domestic consumption requirements," he added.

6804

CSO: 4213

DEVELOPMENT OF RELATIONS WITH GDR DISCUSSED

Jakarta HARIAN UMUM AB in Indonesian 6 Oct 79 p 3

[Article: "GDR Has Struggled for World Peace for 30 Years"]

[Excerpts] The German Democratic Republic (GDR) has struggled with all its might for world peace for 30 years, said Eberhard Feister, GDR Ambassador to Jakarta, in a press conference last Thursday [4 October], held in connection with the celebration of the GDR's 30th anniversary on 7 October 1979.

Speaking about relations between Indonesia and the GDR, Ambassador Feister said relations between the two nations had existed for 25 years, starting with the opening of the GDR trade representation in Jakarta in 1954. In 1960 the status of the trade representation was elevated to that of Consulate General. Diplomatic relations between Indonesia and the GDR were opened only in 1972. Since that time relations between the two countries have continued to grow.

In 1974 Adam Malik, then foreign minister, visited the GDR, where a trade agreement, valid to this day, was signed between the GDR and Indonesia. Relations between the two countries emphasized the trade and economic sectors. In 1978 GDR exports to Indonesia were valued at \$4 million, while GDR imports from Indonesia totaled \$8 million. The GDR exported various types of textile machinery, diesel generators, and kali fertilizer, while it principally imported natural rubber and other basic materials because the GDR has no basic material resources.

According to Ambassador Feister, to improve the export situation, the GDR Foreign Trade Bank has negotiated a \$75 million loan to Indonesia to try to wipe out the trade deficit with Indonesia. As of now this loan has not been accepted by Indonesia because it is an ordinary commercial loan with a short repayment period and carries a rather high rate of interest.

Feister, in reply to HARIAN UMUM AB's question, admitted that the terms of the loan were unlike the soft terms extended for IGGI credit. The loan was offered for Indonesia's use within the framework of its imports from the GDR.

Ambassador Feister, flanked by Consul Wolfgang Reif, Trade Consul S. Ruhm, and Press and Cultural Attache Betac, said the GDR was prepared and wanted to increase trade with Indonesia on the basis of mutual benefit and balanced trade and to participate in REPELITA III [Third Five-Year Development Plan] projects.

"I am convinced that many things could be done to increase cooperation between Indonesia and the GDR. I hope that the discussions held by the GDR Government and Trade and Cooperatives Minister Radius Prawiro, who visited Berlin at the end of September, will help to smooth relations between our two countries," Feister said.

Earlier MENPERDAGKOP Radius Prawiro and a Republic of Indonesia parliamentary delegation, headed by DPR vice chairman Kartidjo, visited Berlin at the invitation of the GDR parliament. On that occasion an invitation was extended to Horst Sindermann, GDR Parliament chairman, to visit Indonesia.

In July GDR Deputy Foreign Minister Dr Klaus Willerding came to Indonesia to hold consultations with the Indonesian Foreign Affairs Department.

6804
CSO: 4213

JAPAN GRANTS LOAN FOR ASEAN FERTILIZER PROJECT

Jakarta HARIAN UMUM AB in Indonesian 24 Oct 79 pp 1,2

[Article: "33 Billion Yen Loan Signed for ASEAN Fertilizer Project"]

[Text] The agreement on a 33 billion yen (about 89 billion rupiah) loan by the Japan Foreign Aid Fund (OECF) for the ASEAN urea fertilizer project in Aceh was signed in Tokyo on Tuesday morning [16 October] by Indonesian Ambassador Sayidiman Surohadiprodjo and Kaneo Isihara, OCEF chairman, representing their respective governments.

The signing took place after an exchange of notes between the two governments in Jakarta on Monday regarding the amount of Japanese aid for this project. The loan totals 47.5 billion yen (about 128.5 billion rupiah), comprising a 33 billion yen loan from OCEF and a 14.5 billion yen loan from the Japan Exim Bank.

The agreement for the 14.5 billion yen loan will be forthcoming in the near future.

Thus the ASEAN urea fertilizer project in Aceh, one of five ASEAN industrial projects for which \$1 billion loan was promised by Japan Prime Minister Takeo Fukuda at the ASEAN-Japan summit meeting in Kuala Lumpur in August 1977, can be carried out.

According to the plan, the construction of the urea plant, which will use natural gas from Arun, Aceh, will be completed and will be onstream at the end of 1982 with an initial annual production of 427,000 tons of fertilizer, to be increased in phases to 570,000 tons a year.

It was agreed that \$313 million (about 67 billion yen) would be used for the development of the ASEAN urea fertilizer project.

Of this total, the Japanese Government is furnishing \$220 million (47.5 billion yen), or about 70 percent of total development financing, while the remaining 30 percent is to be borne by the five ASEAN nations, broken down into 60 percent by Indonesia, 13 percent each Malaysia, Thailand, and the Philippines, and 1 percent by Singapore.

The Aceh urea fertilizer project is the first joint ASEAN industrial project, while four other projects, for which Japanese loans are to be obtained, are still in the preparation phase.

On the basis of an ASEAN agreement, fertilizer produced by this project will be used for Indonesian domestic consumption and for sales to other ASEAN countries.

The OECF loan is to be repaid in 25 years, including a 7-year grace period, and carries an annual interest rate of 2.5 percent.

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CSO: 4213

REPLACEMENT OF NORTH, CENTRAL SULAWESI GOVERNORS QUESTIONED

Parliament Seeks Explanation

Jakarta KOMPAS in Indonesian 23 Oct 79 p 1

[Excerpts] A.A. Oka Mahendra, vice chairman of Commission II of Parliament from the FKP [Golkar (Functional Group) Faction] said Commission II would hold a working meeting with MENDAGRI [minister of home affairs] Amirmachmud, among other purposes, to request clarification on the replacement of the two Sulawesi governors. He gave this information in response to a question put to him by a reporter at the DPR on Monday [22 October].

Oka felt the statement issued by the MENDAGRI had not settled the matter. The minister considered the case involving the recall of the governors as closed and refused to give any reasons for the recall. He merely remarked that there was a "limit to tolerance in Pancasila morality." "The reasons for taking this step must be made clear," Oka remarked.

Meanwhile, both V.B. da Costa, vice chairman of the PDI [Indonesian Democratic Party] faction, and H.M. Anwar Nurris of the FPP [Central Pancasila Front] faction felt the MENDAGRI's statement was sheer verbalism as FKP Secretary Eng Sarwono had noted some time ago.

An extraordinary game of hide and seek is being played with that statement wherein the minister is hiding behind the words, "Pancasila morality," da Costa said, "An official properly should not use these words to shield himself because this doesn't settle the matter," Anwar Nurris said.

Tossing such a reason off, Nurris remarked, only gives the public the impression that there is something to hide.

According to da Costa, this matter not only involves the governor personally but also the position of governor which is closely connected with society as a whole. Therefore the matter should not be taken lightly. "By giving an administrative reason for the recall, the MENDAGRI may have considered the matter closed. But in order to carry out Pancasila Democracy, he must report to the people on what was considered in this matter," he said.

Nurris added, "Carrying out democracy has nothing to do with Pancasila morality or ethics as the minister has said."

Comment by Legal Aid Director

Jakarta KOMPAS in Indonesian 22 Oct 79 pp 1, 13

[Excerpts] Adnan Buyung Nasution, director of the Legal Aid Institute (LBH), invited everyone to think about the replacement of the North Sulawesi governor at the end of last week. He urged people not to think negatively about Willy personally since he clearly is someone who should be held in esteem. Rather they should think about how the replacement was handled.

In his office on Saturday [20 October], Buyung said in two significant respects the recall of the North Sulawesi governor affected our appraisal of the government and the way our form of government is developing. According to Buyung they are: first, the recall apparently could raise again the old question of what form our government should take, a matter which should not be of concern again.

What actually is a governor is a question that was raised by the way the replacement was handled, Buyung said. Is he just an extension of the central government apparatus or only a central official who can be dismissed summarily? Or is he a political figure who struggles for the aspirations of the people in his region, within the framework of regional autonomy?

Viewed from the aspect of the election process, he said, and based on enacted lawful regulations, the governor holds a political appointment and is not merely an official delegated by the center. He is elected by the DPRD [regional legislature] and, therefore, he represents the people's aspirations. He is merely confirmed in his position by the chief of state. "Thus, the center cannot dismiss him summarily," he added.

The second problem created by this replacement, according to Buyung, is the weakening of hope that an honest individual or office holder who improves things can achieve this position any longer. In other words, our hopes that corruption will be cleaned up, that improvements will be made, and so on, are merely a utopian dream. This, according to Buyung, will have a wide influence in society. It is as though any official holding a position or any junior official moving up in the government has been given the message, "Alas, officials, if you want to be secure, do not courageously carry out reforms any longer."

Buyung said Law No 5 of 1974 (Basic Law on Regional Administration), of course, does not specify that the dismissal of a governor must have the advice and consent of the DPRD. However, viewed from a legal and logical standpoint, the dismissal of a governor elected by the people through the DPRD, must be voted upon by the DPRD:

On Thursday [18 October] Drs Feisal Tamin, a Department of Home Affairs spokesman, said no sentence in paragraph 21 of Law NO 5 of 1974 specifies that the DPRD must be involved in the dismissal of a governor, but a sentence is contained therein which deals with DPRD involvement in the nomination or election of an individual to this office.

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CSO: 4213

NEW PROVINCIAL, REGENCY CAPITALS DESIGNATED

Jakarta KOMPAS in Indonesian 12 Oct 79 p 5

[Article: "Padang Designated New Capital of West Sumatra"]

[Excerpt] The city of Padang was designated as the capital of the Level I province of West Sumatra under Presidential Decree No 29 of 1979, dated 28 September 1979. An official ceremony will be held in the near future, at which Home Affairs Minister Amir Machmud will inaugurate Padang as the capital.

Heretofore, although the governor and, moreover, the government apparatus of West Sumatra Province were located in Padang, Bukittinggi was the official capital, as designated in Law No 51 of 1958.

Under Presidential Decree No 30 of 1979, the capital of the Level II regency of Gorontalo also was changed from Isimu to Limboto, which up to now had unofficially held the role of regency capital. This decree is effective as of 28 September 1979.

Presidential Decree No 33 of 1979 changed the capital of the Level II regency of Cirebon from Cirebon municipality to Sumber, located in Sumber Subdistrict. This change was effective 2 October 1978 [sic].

According to information received from Dr Feisal Tamin, Home Affairs Department spokesman, on Thursday (11 October), the change in the Cirebon Regency capital is intended to prevent unsystematic duplication of regency and municipal governments. Other similar situations are being investigated, and will be decided upon for many other places.

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CSO: 4213

PLO WANTS TO OPEN MISSION IN JAKARTA

Envoy Meets Foreign Minister

Jakarta KOMPAS in Indonesian 27 Oct 79 p 13

[Excerpts] The Palestine Liberation Organization (PLO) wants to open a mission in Jakarta. Khalid Sheikh, special envoy of PLO leader Yasser Arafat said this following discussions with Minister of Foreign Affairs Mochtar Kusumaatmaja at the department of foreign affairs on 26 October.

"We are working hard to this end," he said. Asked whether this desire had been presented to the Indonesian government, Khalid Sheikh said "many times".

Minister of Foreign Affairs Mochtar confirmed that the desire of the PLO to open a mission in Jakarta had been discussed. But he was unwilling to give any additional information because the matter would be discussed by Khalid Sheikh with President Suharto.

According to Mochtar, Khalid Sheikh also brought a special message by Yasser Arafat to President Suharto which would be delivered at the meeting.

Minister of Foreign Affairs Mochtar admitted that Khalid Sheikh also asked about the purchase of a squadron of A-4 Skyhawk fighters from the U.S. which reports say were formerly owned by Israel. Actually he requested that the purchase be stopped.

"My reply which I've already made before, is that we bought the planes from the U.S. and we received them from the U.S.," said Mochtar.

Presidential Approval

Jakarta KOMPAS in Indonesian 29 Oct 79 p 16

[Excerpt] President Suharto has given assurances that the PLO can open a mission in Jakarta. But when that will take place is still uncertain. Special envoy of PLO leader Yasser Arafat Khalid Sheikh who is visiting Jakarta said this after being received by the President at the Bina Graha on 27 October. It is hoped that the opening of the mission can be as soon as possible after certain necessary formalities are handled.

He was unwilling to explain what formalities he referred to and why the opening of the PLO mission in Jakarta has been up in the air for so long. Khalid Sheikh only added that Jakarta is the last remaining place in the southeast Asian region for a PLO mission.

Concerning the Indonesian plan to purchase Skyhawk fighters from the U.S. which are reported to have been owned formerly by Israel, Khalid Sheikh said the PLO has no objection because the purchase is from the U.S. and is an Indonesian matter.

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CSO: 4213

GOVERNMENT SPONSORED AGRICULTURAL PROJECT'S DEBTS UNPAID

Jakarta KOMPAS in Indonesian 25 Oct 79 p 16

[Article: "Instruction of Governor Supardjo Rustam: Collect Delinquent Debts from House to House"]

[Excerpt] Governor Supardjo Rustam of Central Java has issued instructions that the teams to facilitate the collection of BIMAS [government sponsored agricultural projects] credit debts on subdistrict levels should collect the credit payments from door to door. Teams on district, regional and provincial levels were given the responsibility of supervising, guiding and helping the subdistrict level teams.

These instructions were issued by Governor Supardjo in a letter dated 22 October 1979 to his gubernatorial assistants, district chiefs throughout Central Java, the mayor of Semarang and district office managers of the Indonesian Peoples Bank [BRI].

In his letter Governor Supardjo stressed that delinquent BIMAS credit debts in Central Java represent a very large and serious problem because more than 1 million borrowers are included and funds to be repaid total more than 21 billion rupiahs. "This only covers BIMAS food programs and doesn't include other BIMAS programs," the governor said.

According to Supardjo the collection of delinquent BIMAS credit debts is being facilitated by teams in every district and subdistrict. However, the governor said these evidently haven't been effective in reducing the size of the delinquent debts.

Governor Supardjo said that for Central Java there hasn't been even one planting season between the 1970/1971 and the 1979/1980 seasons, a total of 17 planting seasons, that debts have been repaid. Only in several districts were debts actually paid during the first 3-4 planting seasons.

7785

CSO: 4213

TRANSMIGRATION TARGETS FOR 1979-80 REPORTED UNMET

Jakarta KOMPAS in Indonesian 11 Oct 79 pp 1, 13

[Article: "Only 100 Families of the 50,000-Family Transmigration Target for 1979-80 Have Been Resettled; Vice Minister Martono Says Government Is at a Loss as to What to Do"]

[Text] Vice Minister for Transmigration Martono said only 100 of the 50,000 families targeted for transmigration in 1979-80, or the first year of PELITA III [Third Five-Year Development Plan], have been resettled. "I do not yet know whether the target of 50,000 families can be realized because I have not inspected the land which has been or which is being prepared," Martono said in response to questioning at the conclusion of his meeting with President Suharto at Cendana on Wednesday [10 October].

The 100 families have been resettled on Buru Island, Maluku, to use the existing buildings and land which were formerly used by Group B G30S/PKI [Indonesian Communist Party 30 September 1965 abortive coup] detainees. No transmigrants targeted for resettlement this year have yet been resettled in the project.

In this regard, 27,000 transmigrant families remain to be resettled under the 1978-79 program. Of this total, 6,280 families were resettled by 1 October 1979. Therefore, 49,900 families targeted for resettlement during the first year of PELITA III and 20,720 families "carried over" from PELITA II must be resettled by 31 March 1980.

Various factors causing the delay in the implementation of this transmigration program were presented by Public Works Minister Purnomosidi and Minister of Manpower and Transmigration Harun Zain on 2 October. Among other things, the work contractor delayed in preparing the land and the signing of the contracts entailed a lengthy process at the Public Works Department.

Minister Zain said the time needed to adjust to and regularize the implementation of Presidential Decree No 26 of 1978, which reorganized the transmigration structure and mechanism, also was a factor in this delay, as

were bureaucratic obstacles and coordination, since the transmigration program involved a number of departments.

Asked about the roles of the vice minister and the Transmigration Coordination Agency in implementing the program, Martono replied that he, as the manager, always took problems encountered to the Coordination Agency for discussion, and a means to solve them was always found. "All this has already been done," he said.

Of Course the Government Is at a Loss as to What to Do

Minister Martono conceded that the government was at a loss as to what to do concerning the implementation of transmigration. This has caused the number of transmigrants, both general and spontaneous (self-motivated) transmigrants, to be far larger than the government is capable of handling.

Asked why the implementation of spontaneous transmigration is not progressing smoothly yet, Martono only replied, "Because it all must be interfaced." Reception centers outside Java are not yet completed. If it is found later that enough land has been prepared, spontaneous transmigrants will automatically be received.

Spontaneous transmigrants are those who at their own volition want to be resettled at their own expense. However, the government remains responsible for preparing land for them. "At present only enough land is being prepared for general transmigrants," Martono said.

Without giving any figures, Martono said that actually great interest has been expressed by spontaneous transmigrants. Theoretically, the target of 500,000 families during PELITA III "is filled" from the existing general and spontaneous transmigration registers, and the planned sites are full. "In practice, however, transmigration is always postponed," the vice minister said.

He added that in several projects the government, little by little, is beginning to arrange spontaneous transmigrant resettlement areas. Of the various sites which have been cleared, 10 percent are used for the local population and 90 percent are used to resettle general and spontaneous transmigrants. "Yet it is a pity we are not yet able to clear and prepare even more land," Martono remarked.

He conceded, however, that there weren't many spontaneous transmigrants yet because they become tired of waiting after they register and they cancel out. "The reason for the long delay is generally that the land is not yet ready for resettlement," Martono said.

Vice Minister for Transmigration Martono spoke with President Suharto for almost an hour, but he said "only private matters" which did not involve mission or office problems were discussed.

TRANSMIGRATION AIRCRAFT TO BE PURCHASED

Jakarta KOMPAS in Indonesian 25 Oct 79 pp 1, 13

[Article: "Transall Planes To Be Bought for Transmigration; Price Double With Only Half the Transport Capability of the Hercules"]

[Excerpts] The government will again purchase a number of Transall airplanes to carry transmigrants. These will join the three Super Hercules planes which began operations last September. On 24 October a department of communications spokesman Abdullah confirmed the planned purchase but didn't say how many planes would actually be bought.

In April of this year Director General of Air Communications at that time Kardono when signing the purchase agreement for the three Super Hercules L 100-30 planes said that the government was holding discussions with the company to buy three Transalls to strengthen the transmigration armada.

On 24 October Abdullah still wasn't able to say definitely whether the purchase agreement had been implemented. But 2 weeks ago general director of Pelita Air Service Ltd Wage Mulyono said that the company which he heads up will receive an additional two planes in 1982 to carry transmigrants.

The two planes of the Transall type are built by a plant jointly owned by Germany and France.

In April Kardono also confirmed that the price for the Transalls would be almost double that of a Super Hercules. However the load capacity would only be half that of the Hercules already purchased. The load capacity difference was evident at the time trial transportation by air was carried out in July and August 1977. Both types of planes were used in the trial runs. At that time the Transall in 13 flights carried 778 transmigrants while the Super Hercules carried 1,167 people in 10 trips.

Another source said that the price of the Transall was actually twice that of a Super Hercules plane; the comparison being \$10,025,000 for a Hercules and \$27,500,000 for a Transall.

NURTANIO, SPANISH FIRM TO PRODUCE LARGE AIRCRAFT JOINTLY

Jakarta HARIAN UMUM AB in Indonesian 18 Oct 79 p 3

[Article: "Indonesia Will Be the First Nation in Asia To Make Large Aircraft"]

[Excerpts] Indonesia and Spain have formed an international aircraft company, Airtax Industries, a joint venture between PT Nurtanio and Cassa of Spain.

The company was signed into existence yesterday [17 October] in Menara Patra Jasa by Prof Dr Eng B.J. Habibie, Dr Carlos Marin, Cassa president, and Spain's ambassador to Indonesia. The company is based in Madrid.

With the establishment of this company, Indonesia becomes the first Asian nation to participate in the manufacture of large aircraft, while Japan is the first to manufacture helicopters.

Production is expected to be initiated in 1983 with the fabrication of two prototypes, one to be made in Indonesia (by Nurtanio) and the other in Spain (by Cassa). They will be called Airtax NC-235--air taxis coded NC (Nurtanio and Cassa). The number 2 indicates two engines, and 35 indicates a passenger capacity of 35.

Initial investment is said to be \$70 million, equally divided between Indonesia and Spain.

Habibie explained that PUSPITEK (National Center for Scientific and Technological Development) in Serpong will play an important role in the fabrication of this aircraft in Indonesia. A team consisting of 35 qualified engineers will be formed in November. It is expected that Indonesia can turn out 3,000 experts in this field by 1986.

Indonesia, he said, which has been grouped among countries with a low GNP and developing nations, now has progressed to the category of an advanced nation. "There no longer is any difference between us except for hourly wages," Dr Habibie said. Indonesian experts get only a quarter as much as foreign experts do. This means that when foreign experts are paid \$40 an hour, Indonesian experts are paid only a quarter of that amount.

INDONESIA

SOLON COMMENTS ON PRC, AIRCRAFT PURCHASES, PLO, CUBA

Jakarta MERDEKA in Indonesian 24 Oct 79 p 1

[Article: "Budget for Normalizing Relations With PRG Prepared"]

[Excerpts] The budget for arranging for the normalization of relations with the People's Republic of China has been drafted by the government and approved by Parliament, Chalid Mawardi, the chairman of Parliament's Commission I, which deals with foreign affairs, defense and security, and information, told MERDEKA today.

After he talked with Foreign Minister Mochtar Kusumaatmadja at the Department of Foreign Affairs on Tuesday afternoon [23 October], Chalid said the normalization budget was incorporated into the budget for the current fiscal year (1979-80), but the budget will be applied in phases.

He said that "common sense" had prevailed in viewing the normalization of relations with the PRC as principally a political matter for the East Asian and Southeast Asian region.

"We must not be too rigid in this matter. Normalization of relations was accomplished only 7 years after Nixon went to the PRC as the American President," he said.

As to who should initiate normalization, Chalid said, "This is not crucial."

"Pak Adam has said they must come here first. If they are not invited, how can they come?" he asked.

The PRC, Chalid said, feels itself sovereign in the Asian land mass, so it is rather reluctant to take the first step.

The Commission I chairman feels there is no need to fear normalization of relations by the RI [Republic of Indonesia] and the PRC.

"We are a big nation with a strong state setup and with sufficient modern technology. No need to worry," he said.

Skyhawk

Chalid went on to say that at the meeting with Foreign Minister Mochtar today, a number of views were presented based on discussions held in Commission I regarding the purchase by the RI Government of the American Skyhawk A-4 Eagle, a matter of "understandable" importance for strengthening the Indonesian Air Force.

"While we clearly need these combat aircraft, why must we get them from Israel? Other nations beside the United States currently resell aircraft of this type. Canada, West Germany, Italy, and Britain are also prepared to resell their own Skyhawks," Chalid said.

He added that the price of Israel's aircraft is higher than those offered by other nations, but he did not clarify what the price differential was. He just said the same aircraft is produced by MacDonald [as published], a US company whose license has been taken over by Lockheed to install components in aircraft of the 1960's and their price is lower.

"I do not want to cause any trouble over a decision which has been made, but I hope that we do not buy any more Skyhawks from Israel should we need them, because this really is detrimental to Indonesia's diplomatic relations with Middle Eastern and Arab countries," he remarked.

Chalid disputed the report in the WASHINGTON POST which stated that Indonesian pilots were also being trained in Israel.

He said Indonesian pilots are trained only at Iswahyudi, Madiun, are capable of piloting Skyhawks, and do not need to go to Israel. The equipment in the Skyhawk is not very different from that in the Sabre jet which Indonesia already possesses.

PLO Representation

The RI Government should not object to the PLO's (Palestine Liberation Organization) interest in having a representation in Indonesia, Chalid said, because Indonesia has already said in international forums that the PLO is the "sole representative of the Palestinian people."

Although security considerations are important, of course, too much weight need not be given them, because overall Indonesian foreign policy could be endangered, particularly with respect to the Middle East. Therefore, Chalid believes that PLO representation in Jakarta should be established quickly.

RI-Cuba Relations

Chalid feels that Cuba must be viewed as the focus of the Soviet Union's offensive on the American continent and as a center for fomenting revolution in Latin America, particularly in Central America.

Therefore, he said, a RI diplomatic post is needed in Havana to monitor the "growing cold war" on the American continent and the revolutionary movements in Latin America.

6804

CSO: 4213

ARMY MATERIEL WORKSHOP REBUILDS FORMER RUSSIAN VEHICLES

Jakarta KOMPAS in Indonesian 13 Oct 79 p 16

[Article: "Former Russian Combat Vehicles Can Be Used Again"]

[Text] Combat vehicles originating in Russia which have lacked spare parts for some time can be put to use again. All engines of combat vehicles such as the BTR-52 have been replaced with domestically-assembled engines by the Army Materiel Central Workshop (BENGPUSMAT) in Bandung.

The work done by technicians of the Army Materiel Central Workshop was demonstrated on Wednesday [10 October] to members of DPR [Parliament] Commission I who were given a special tour of the RI Armed Forces technical and workshop facilities in that city.

Commission I members were also given a demonstration of the work done by technicians of the Air Force Materiel Command at Husein Sastranegara Primary Airfield. They replaced a helicopter engine of Russian origin with a turboengine. The former engine was a Torak type. This change was accomplished after a number of thorough trials.

In addition to modifying the former Russian combat vehicles, the Army BENGPUSMAT is pioneering the manufacture of its own combat vehicles. In this first phase a prototype has been made, after a number of trials, of an armored vehicle for transporting troops (APC--armored personnel carrier). A Unimog engine has been used.

Combat communication equipment, the PRC-77 (PRC--portable radio communication) has been successfully fabricated.

BENGPUSMAT plans to have the APC, fitted with the Unimog engine, constitute a basic model for developing a variety of ABRI [Indonesian Armed Forces] combat vehicles, from panzers to guided missile launching vehicles.

The DPR Commission I, headed by Chalid Mawardi, also visited the Army Industrial Center.

OPERATION OF KRAKATAU STEEL PLANT PRODUCTION UNITS INAUGURATED

Jakarta KOMPAS in Indonesian 10 Oct 79 pp 1, 12

[Article: "At Official Ceremony Inaugurating Cilegon Expansion, President Says it Is a Small Step, but a Big Achievement"]

[Excerpts] Viewed from the dimension of long-term development, the advancement of the steel industry begun today is only a small step in the process. Nevertheless, it is a major achievement if viewed from the standpoint of building a steel industry in the present initial stage of development.

This was noted by President Suharto in his speech at the official ceremony inaugurating the operation of production units at the Krakatau steel plant in Cilegon, West Java, on Tuesday [9 October]. He explained that it was only a small step, because many steel plants must still be built. It was a big achievement because we are now able to turn the basic material of iron ore into semimanufactured and manufactured goods made from steel.

The five units officially inaugurated consist of a steel billet plant which cost DM 236 million plus 9.3 billion rupiah, and which has an annual production capacity of 540,000 tons; a wire rod plant with a 220,000-ton annual capacity for making basic material for the wire industry from billets produced by the billet plant, completed with development financing of DM 118 million and 12.5 billion rupiah; a spiral steel pipe plant capable of fabricating 32- to 80-inch pipes, supplementing the old plant which can only make pipes of a maximum 32-inch dimension, costing \$2.5 million and 3.5 billion rupiah; a steam-powered electric power station (PTLU) with an installed capacity of 400 MW, costing DM 1.022 billion and 32.5 billion rupiah; and a water purification station for the entire complex, costing DM 140 million and 5.8 billion rupiah.

According to the report of engineer Ari Wibowo, president-director of PT Krakatau Steel, these units were constructed in cooperation with West Germany, and were built by Ferrostaal, Siemens, and Klockner, the primary contractors for the steel plant, the PTLU, and the infrastructure, respectively. The spiral steel pipe plant, the only plant using the spiral gauging process in Indonesia, is a joint venture with Krakatau Steel

receiving the major share of 66 and 2/3 percent, and the remaining share divided equally among its foreign partners, the Netherlands (Hoogovens) and the Philippines (International Pipe Industries).

Ari Wibowo explained that with the completion of the wire rod project, it will no longer be necessary to import this material for domestic industries. "There already is a production surplus which can be exported."

According to A. R. Suhud, ministry of industry, elements officially inaugurated were the final elements completed during the first phase of the total complex which is based on a core production element consisting of four sponge iron manufacturing modules with an annual capacity of 2 million tons, applying a direct reduction process which uses natural gas.

Suhud explained that it was planned in the first phase program that only 25 percent, or about 500,000 tons of sponge iron, would be reduced in the billet plant for later processing into various types of products such as reinforcing rods, angle irons, wire rods, spiral pipes, and sponge iron residue to be sold on the domestic market and overseas.

The year 1979 is the final year of the first phase, and Suhud noted that the second phase had begun with the construction of a slab plant with a 1 million-ton capacity and an installation fabricating thin iron sheet, with an annual capacity of about 450,000 tons. According to plan, these plants will be on stream only in 1983.

Suhud explained that Indonesia's requirement for iron products is estimated to be 2 million tons a year by the end of PELITA III [Third Five-Year Development Plan]. Present requirements already exceed 1 million tons a year, while the national production capacity is only about 1 million tons a year. Fifty percent of the requirement is produced by PT Krakatau Steel, and the remainder by several private steel companies.

6804

CSO: 4213

MINING MINISTER GIVES DETAILS OF NEW IRJA MINING CONTRACT

Jakarta HARIAN UMUM AB in Indonesian 29 Sep 79 pp 1, 11

[Article: "DPR Consulted on IRJA Development Work Contract Plan"]

[Excerpts] Yesterday [28 September], Subroto, minister of mining and energy, held a working meeting with DPR [Parliament] Commission VI to consult on the planned work contract between the government and PT Anggi Chemalloy of Canada.

PT Anggi Chemalloy is a joint venture among PT Danau Anggi Indah, PT Puncak Maoka, International Chemalloy Minerals Ltd, and ACA Howe Pty. This joint venture will seek and produce minerals (excluding hydrocarbons) in a 95,000-hectare area located in Manokwari Regency (Kepala Burung), Irian Jaya.

Since 1971, PT Danau Anggi Indah has held mining rights in that area with PT Puncak Maoka. They later formed a joint venture with two foreign companies, Chemalloy of Canada and ACA Howe (of Canada and Hong Kong).

Minister Subroto told Commission VI that the four companies had submitted a capital investment application in 1970, which was discussed and initialed in 1972. However, since the regulation on taxes and payments to the state for the general mining sector was not issued until 1976, processing of the contract was delayed. With the issuance of Presidential Decree No 21 of 1976, discussions of the contract were reopened in 1978.

The general mining contract is expected to be signed in the near future, after the DPR affirms "it has no objection" to the provisions of the contract.

Subroto judged the contract with PT Anggi Chemalloy to be tighter, viewed from the aspect of government interests, compared with earlier contracts, for instance, those with Freeport Indonesia (for copper mining in Irian Jaya) or PT Inco (for nickel mining in Sulawesi).

The draft contract appoints PT Anggi Chemalloy as the sole contractor for the government to develop mining in the allocated regions at its own

expense and at its own risk. PT Anggi is to manage the company, from general research to marketing of the products, within the jointly agreed upon limits.

PT Anggi must use Indonesian manpower to the maximum extent possible within practical and efficient limits, and is responsible for their education and training.

PT Anggi has the right to do general research on the contract region for 1 year and to explore the region for 3 years. PT Anggi then will be given 1 year to prepare a feasibility study on the project, 3 years to carry out construction, and 30 years to operate (produce) in the region.

Another provision provides for the contractor to do special research on the impact of the project on the regional environment, for instance, its impact on the natural environment and its influence on the local economic and socio-cultural sectors.

The company must also process the minerals it finds in processing facilities constructed by the company or existing processing facilities in Indonesia.

The contract also specifies that the contractor (PT Anggi Chemalloy) is responsible for handing over a financial guarantee (security deposit) of \$50,000, which has been agreed upon, to the Indonesian government before starting operations.

Products must be marketed as "arm's length sales" with government agreement, meaning that products are to be sold at the same price to everyone.

Financial obligations to be met consist of fixed contributions for the general mining contract area, a royalty on the minerals produced, a corporation tax on annual profits and losses, a tax on interest, dividends, and royalties, sales taxes in general effect in Indonesia, tax stamps except the capital transfer tax stamps, a tax for transferring title of motorized vehicles and ships, import duties in general effect in Indonesia after 10 years of production, export taxes, regional collections agreed upon by the central government, and the regional development tax (IPEDA).

Conversely, the contractor has the right to an "investment allowance" in line with existing regulations, accelerated depreciation in line with existing decisions, and limited export taxes in line with the degree of processing required for the respective minerals.

The contract provides for a 51 percent national share in the company.

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CSO: 4213

FUEL OIL, FOOD SUBSIDIES INCREASED FOR FISCAL 1980

Jakarta HARIAN UMUM AB in Indonesian 20 Oct 79 p 3

[Article: "Finance Minister Says 1979/80 Subsidy for Fuel Oil Is Estimated at 500 Billion Rupiah"]

[Text] Finance Minister Ali Wardhana pointed out that with increased oil prices, it is estimated that the subsidy for fuel oil in fiscal 1980 will amount to 500 billion rupiah. This means an increase of 219.6 billion rupiah in the total budgeted earlier.

He said that the increase in the internal price for oil actually had been taken into account when the 1979/80 APBN [national budget] was compiled. But he noted that the increase in the price of oil is somewhat greater than had been calculated earlier, so the added oil revenue is also somewhat larger.

Exactly how much more state revenue will be gained cannot be revealed yet, because the calculations have not been completed. The calculations must be based on firm figures so that precise changes can be made in the budget. Moreover, 28 types of Indonesian oil are exported. The amounts exported and the prices of each differ. Ali Wardhana presented this information during a working meeting held with the APBN Commission of Parliament in Jakarta on Friday morning [19 October].

The surplus revenue from oil will also be used to augment the subsidy for food items such as rice, wheat, and fertilizer to maintain domestic stability.

Dr Oskar, director general of domestic monetary affairs, who accompanied Minister Ali Wardhana, remarked in this connection that food subsidies originally were budgeted at 82 billion rupiah, whereas in actuality they could amount to 90 or 100 billion rupiah.

The government budgeted 30 billion rupiah for the rice subsidy alone, 50 billion rupiah for wheat, and 15 billion rupiah for coconut oil. The subsidies for all of these items range around 95 billion rupiah, Oskar said.

The finance minister indicated that salaries for civil servants and pensions for retirees are the biggest item in the routine budget. Thus, just a small increase in these items will place a big burden on the total ordinary budget.

He indicated, for example, that if salaries and pensions are increased by about 10 percent, the ordinary budget will increase by about 160 billion rupiah over the currently budgeted 1.6 trillion rupiah.

The government is determined that development be financed from domestic funds as much as possible, with foreign aid providing supplementary funds.

Thus, the only way to get more money for wages and pensions is to take it from the development budget. This means that a greater portion of development funds must be financed from foreign sources, leading to conflict with the principle under which the government is operating.

Another way out of this dilemma is to reduce subsidies, which now amount to 500 billion rupiah, but the price of fuel oil would rise again.

Another possibility is to increase state revenue from tax levies, but the public is still demanding that taxes be lowered, so no funds for increasing salaries and pensions can be provided from this source.

Therefore, the government is being forced to set limits on subsidies and salaries and pensions offered to civil servants and retirees, Ali Wardhana said.

6804

CSO: 4213

FOOD PRODUCTION ESTIMATES FOR 1980 OUTLINED

Jakarta MERDEKA in Indonesian 5 Oct 79 p 9

[Article: "1979 Rice Production Totals 17.9 Million Tons"]

[Excerpts] Agriculture Minister Sudarsono estimated that Indonesian paddy production will increase by only 2.9 percent (to 18.442 million tons) in 1980. Total rice production for 1979 was 17.94 million tons.

Sudarsono sketched this information at a working meeting with members of DPR [Parliament] Commission IV today. Other food production such as corn production is estimated to rise by 1.1 percent (to 3.577 million tons), cassava by 4.9 percent (to 14.308 million tons), sweet potatoes by 1.7 percent (to 2.976 million tons), peanuts by 8 percent (to 496,000 tons), green peas by 1 percent (to 98,000 tons), soybeans by 7.9 percent (to 681,000 tons), and vegetable and fruit production is estimated to rise by 3.9 percent (to 2.17 million tons) and 2.2 percent (to 3.619 million tons), respectively.

These estimates compare 1980 total food production with that in 1979.

Speaking about the work program of the Department of Agriculture for the next 2 years of REPELITA III [Third Five-Year Development Plan] (1980-81), Sudarsono said it is planned that 350,000 hectares of wet ricefields will be established. In fiscal 1979-80, 40,000 hectares were established throughout 20 different provinces.

A special food matter, the agriculture minister further noted, that of secondary crops, was receiving government attention. The first step regarding secondary crops will be to set basic prices for these crops so that sales in the homeland will improve.

Heretofore, the minister said, many farmers did not plant secondary crops because they could not get seeds. The government will assist them by providing seeds. Moreover, demonstrations will be given of these crops so that the farmers will want to plant them.

People's representatives in the DPR also urged the government to give serious attention to sago, in addition to secondary crops. Sago is a basic food in a number of regions, but it has not yet been handled seriously by the government.

The 1980 fishery production projection indicates a 5.8 percent (to 1.815 million tons) increase compared with the 1979 production of 1.713 million tons.

The volume of exports is projected to rise by 13 percent (to 76,290 tons). Volume of exports totaled 66,650 tons this year.

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CSO: 4213

FEEDBACK FROM FOOD PRODUCTION SURVEY

Jakarta KOMPAS in Indonesian 26 Oct 79 pp 1, 12

[Article: "From Information By Subdistrict Chiefs, Five Important Activities Needed to Increase Food Production"]

[Excerpts] President Suharto called for five important activities to increase food production in a special way to be implemented as much as possible by all governors. The President's proposals cover expansion and increase in the quality of intensification of irrigated rice fields, increased usage of diked rain-fed rice fields, increased production of second crops other than rice, overcoming delays in planting and matters concerning production sharing and worker-farmers.

The proposals were announced by Vice Minister in charge of food production Engr A.Affandi at the all-Indonesia Governors' Technical Workshop in Jakarta on 25 October. The President said the proposals were to some degree based on answers to a list of questions which he had sent to subdistrict chiefs in 11 provinces and which will also be sent to other provinces. He said even though not all the results from the subdistrict chiefs have been analyzed, really only around 25 percent, still certain conclusions can be drawn.

Irrigated Rice Fields

Concerning expansion and increase in the quality of intensification of irrigated rice fields, the President stressed that both land and water need to be developed as resources. There are a number potential irrigated rice fields presently without guaranteed irrigation, scattered throughout North Sumatra, Lampung, West Java, Central Java, East Java, Bali, South Kalimantan and South Sulawesi. Because of this, guaranteed irrigation must be increased so that intensification efforts can also be expanded.

In addition intensification must be expanded in irrigated rice fields with guaranteed water, especially in South Sumatra, South Sulawesi and to a lesser degree in Bali and North Sumatra. Concerning the quality of intensification, he said that generally the use of fertilizer is sufficient. However,

farmers must be continually encouraged to further increase this use in accord with the guidelines given for each location (subdistrict).

Concerning seed, the President said that to get a high average rice production using local varieties clearly isn't successful. And to increase vigilance against the wereng pest, the use of local varieties, both normal superior and new superior non-VUTW [superior variety wereng resistant] in wide areas can be justified. He mentioned that local varieties are still being used in South Sulawesi, South Kalimantan, North Sumatra, West Sumatra and Lampung. Normal superior varieties and new super varieties non resistant to the wereng pest are still being planted in all provinces except the Yogyakarta special region.

Diked Rain-fed Rice Fields

According to the President the average amount of diked rain-fed rice fields planted in the 11 provinces surveyed was only around 55 percent of the available land. And only 25 percent of the rice planted has undergone intensification. This shows that the intensification of rice land must still be carried out.

He admitted that planting rice in diked rain-fed ricefields has a larger risk than using irrigated rice fields. But, he said, the risk can be lessened by the application of a gogo-rancah [kind of rice planting without irrigation on dry plots] system which is being used in several areas such as Indramayu and Bojonegoro with satisfactory results.

By preparing the land before the rains start and planting early using a short duration rice seed, there is a real opportunity to use the rice fields dependent on rain by planting rice once and a secondary crop once during the year. "I ask that the possibility of using the gogo-rancah system be explored to increase the use of diked rain-fed rice fields as much as possible," said the President.

Secondary Crop Production

The President feels that the amount of rice fields that are planted with a secondary crop is very small. This was only 5 percent during the 1978/1979 planting season and 7 percent during the 1979/1980 season. However, for unirrigated dry land the area planted in secondary crops was 45 percent in 1978/1979 and 27 percent in 1979/1980. Planting of secondary crops in rice fields under intensification is around 51 percent over the existing planting and only 25 percent for dry fields. So that there is actually a great opportunity to increase intensification in secondary crops.

He said the subdistrict chiefs reported there are three obstacles in the field; obstacles that are connected with unstable weather and the lack of

water; obstacles that are economic in character such as difficulties in marketing, low prices, etc and obstacles connected with the crops such as pests, difficulty in obtaining seed, etc.

Delays In Planting

Clearly 60 percent of the subdistrict chiefs in the 11 provinces said the time for planting rice is often delayed as a result of water and production needs arriving late and a shortage of workers. According to the President, the government has been trying to solve the problem of irrigation. In fact during the last 2 years the problem of tertiary distribution networks has been tackled.

So he feels the delay in planting must also be solved by increasing the active participation of farmers themselves. But this will only succeed if they realize that efforts to increase production are actually for their own prosperity instead of feeling being forced to do so by someone else.

However, concerning the shortage of workers the President said "it is very interesting that regions with dense populations like West Java, Central Java and Yogyakarta special region reported delays in planting because of a shortage of workers." He said the government is now making a more complete examination to determine the right policy. However, until there is a final solution, other efforts are needed to overcome the problem, for example by using animals and selective mechanization.

Production-sharing And Worker-farmers

From the subdistrict chiefs report the President pointed out that a conclusion could be drawn that the number of share croppers is large enough, about 20 percent of all farm families while worker-farmers are about 23 percent. Worker-farmers are found largely in West Java, Central Java and East Java, each respectively with 25, 33 and 31 percent just as estimated beforehand.

In summing up the subdistrict chiefs first stage report many of the share cropper farmers clearly receive less than a 50 percent share. For Java with the exception of the Yogyakarta special region, more than 30 percent of the subdistricts reported that the share received by share cropper farmers is less than 50 percent.

The President stressed that in agricultural development the problem demands more attention. This group needs protection so that by working the land they can receive a just share of production in accord with the efforts they make. "In carrying out development we must be careful so that the worker-farmer group doesn't greatly increase at the expense of other groups in the farming community," said the President.

Finally the President called on the governors to implement all his proposals by passing them on quickly to those who will implement them in the regions. This includes the district and subdistrict chiefs. "I intend to give more particular guidelines for certain districts, when the analysis of the sub-district chiefs reports is completed and more detailed impressions and conclusions can be drawn.

The President didn't forget to stress that an increased rice production of 4 percent a year must be maintained and to the subdistrict chiefs of the 11 provinces he expressed his thanks for their information. The 11 provinces are North Sumatra, West Sumatra, South Sumatra, Lampung, West Java, Central Java, East Java, Yogyakarta special region, Bali, South Kalimantan and South Sulawesi.

7785

CSO: 4213

INDONESIA

RICE IMPORT TARGETS FOR 1980 CAN BE MET

Import Policy

Jakarta KOMPAS in Indonesian 5 Nov 79 p 13

[Excerpts] It is estimated that the 1980 supply target for rice coming to Indonesia from foreign sources can be met as long as nothing unexpected comes up. This could be for instance a local war widening in an area which supplies rice to Indonesia such as Thailand.

In information given at his office on 4 November Vice Chairman of Bulog [Logistics Board] Sukriya Atmaja said that it is felt that nothing unexpected will happen next year and so Bulog is optimistic that supply goals from abroad can be met.

He said that at present several countries have already given assurances that they can ship rice to Indonesia in 1980. Burma and Pakistan have each guaranteed 100,000 tons of rice to Indonesia. Japan has also guaranteed 300,000 tons. And now with the visit of North Korean Vice Minister of Foreign Trade Choi Goan Su to Indonesia, assurances have also been given that North Korea will supply Indonesia another 100,000 tons. "Discussions must still take place on the shipping and sales price only," said Sukriya.

Also in the picture and nearing guarantees are supplies of imported rice from Thailand and the Philippines. There are rice imports also from the U.S. which as in the case of Japan, are presently carried out on easy term credit. In summary, in view of developments in those countries, we have a strong feeling that there will be no interruptions. And so we are optimistic that these sources can meet our expectations," he added.

Included in the estimates of still uncertain events during 1980 is the warning of the Asian Development Bank [ADB] concerning the possibility that there will be widescale famine in Asia in

the 1980s. "I don't see a widescale famine taking place next year as described by the ADB," he said.

Sukriya also doesn't see the prospects in Indonesia to be as dark as the ADB assessment even though the trend toward an increasing consumption rate for rice in Indonesia is sharper than the increases in the production rate. As in other countries, the increase in the consumption rate is higher than the production rate not only because of increased population, but also because of increased income.

Sukriya said that because of the ADB warning, Indonesia must continue to supervise and monitor every development to maintain a national vigilance in the food sector. "To do this, Bulog will continue monitoring rice supplies not only in Indonesia but throughout the world, particularly in those countries that are potential suppliers of rice on the world market," he added.

In accord with a general approach Indonesian rice imports have been carried out by giving priority to grants from countries. At present Indonesia is still receiving rice grants from Australia and Italy; the amounts are small, only 4,000 and 3,500 tons respectively a year.

Second in priority are imported rice supplies on easy term credit. Indonesia presently receives such food credit from Japan and the U.S. Japan has provided easy term credit because not too much of the rice it produces is consumed by its own people. So the excess from its national stockpile, which it tries to keep at around 6 million tons a year, can be exported on easy term credit. Besides Indonesia, countries receiving such food credit from Japan are Bangladesh and South Korea.

Third in order of priority is the importing of rice on a government to government basis [G to G]. G to G purchases are cheaper than buying on the world market. This is also used to promote cooperation between countries.

Finally there are purchases on the world market. This is carried out when imports of rice from the other three higher priorities are considered insufficient.

In a regional approach, particularly in importing rice on a G to G basis, priority is given to the ASEAN [Association of Southeast Asian Nations] region. In addition to cheaper ship-

ping costs, there is also the strengthening of ASEAN cooperation. To this end Indonesia normally gets rice supplies from Thailand and the Philippines.

Only then are purchases made from other neighboring countries like Burma, Pakistan, Australia, Taiwan and PRC via Hong Kong and North Korea.

Sukriya said that based on the scheduled arrival of ships from abroad, rice imports will total 332,000 tons in November. 278,000 tons in December and 273,000 tons in January.

The arrival of these rice imports is intended to support market operations (rice distribution) being carried on in the country. In November rice distributed in market operations will total 275,000 tons; in December, 300,000 tons; in January 1980, 300,000 tons; in February, 175,000 tons and in March, 108,000 tons. Market operations increase from November to January because these 3 months are the season of high rice prices. Market operations decrease in February and March because of the beginnings of the domestic harvests.

Contracts Signed

Jakarta KOMPAS in Indonesian 9 Nov 79 p 1

[Excerpt] Chairman of Bulog Bustanil Arifin said that around 1,850,000 tons of imported rice for the 1980/1981 national reserves will be arriving in January. "So our need for rice in 1980 will be met," he said after meeting with President Suharto on 8 November at the Bina Graha.

He reported on his visit to Bangkok to sign a purchase agreement for 600,000 tons of rice which is part of the total planned imports. An agreement has also been signed with North Korea for the purchase of 100,000 tons of rice. The vice chairman of Bulog will go to Pakistan next week to sign a purchase agreement for 100,000 tons of rice.

The next purchases will be 150,000 tons from Burma, 300,000 tons from Japan and between 200,000-300,000 tons from Taiwan. In addition PL-480 aid for 1980/1981 is expected to reach 250,000-300,000 tons.

He didn't explain whether rice prices would increase domestically in view of these rice purchases abroad which according to

Bustanil himself are up by 15-20 percent.

He added that Bulog is presently distributing around 12,000 tons a day in market operations; 3,000 tons of this in Jakarta. In 1977/1978 market operations only reached 10,500 tons a day.

7785

CSO: 4213

BRIEFS

THAILAND SPRINGBOARD FOR PRC--Phnom Penh, 13 Dec (SPK)--Under the headline "Two Dangerous Hours Beside Those People Who Transport the Chinese Weapons for the Khmer Rouge" (Pol Pot-Ieng Sary) the SUNDAY TIMES published on 9 December in London gave concrete proof that Beijing had been authorized by the Thai authorities to use Thai territory to dispatch weapons to the Pol Pot-Ieng Sary clique. The article broadcast by BBC radio on Monday afternoon specified: At first sight, nothing can be suspected. When accosting them (the Pol Pot-Ieng Sary men) they were found to be carrying on their heads such weapons as B-40 antitank shells, M-79 grenade launchers and 60mm mortar shells attached to both ends of their shoulder pieces which were brand new and sparkling in the sun. The author of the article points out that in addition to the American-made grenade launchers with which the Thai Army is equipped, the other weapons are Chinese made. This constitutes irrefutable proof that the Khmer Rouge have been supplied with weapons and ammunition which go through Thai territory. He further added that Thai Army helicopters had often flown to various mountainous regions to pick up Ieng Sary enroute to Bangkok. This proof and many others have once again exposed to the light of day the so-called neutral policy of Thailand which the Bangkok powerholders have shamelessly claimed in the Kampuchean conflict. The proof has also put in doubt the sincerity of their claim to live on good terms with the neighboring Indochinese countries. [Text] [BK131029 (Clandestine) SPK in French 0402 GMT 13 Dec 79 BK]

AGRICULTURAL ACCOUNTING COURSE--Phnom Penh, 13 Dec (SPK)--Last Wednesday, the Ministry of Agriculture inaugurated the first accounting course for 30 persons including 12 women. Minister of Agriculture Men Chhan attending the opening ceremony called on the students to strive hard in their study and to prove their devotion to the revolutionary cause by making worthy contributions to the restoration and development of the country's agriculture. [Text] [BK141246 (Clandestine) SPK in French 1430 GMT 13 Dec 79 BK]

CSO: 4200

PROGRESS IN EDUCATION FIELD NOTED, STATISTICS FOR 1979 REVIEWED

Vientiane SIANG PASASON in Lao 23 Nov 79 pp 1, 3

[Excerpts] According to statistics from the Ministry of Education, Sports and Religious Affairs, during the 1978-79 school year nationwide there were a total of 520,000 general education students. Of those, 451,800 were elementary school students, an increase of 16 percent. Some 60,300 were secondary school students which was an increase of 11,000. The upper secondary level had 7,800 students which was an increase of 2,900. There were a total of 17,400 teachers of whom 14,400 were elementary school teachers, an increase of 3,000. There were 2,500 secondary school teachers, an increase of 600. There were 400 upper secondary school teachers, an increase of 140. There are more than 6,200 schools of which 5,900 are elementary schools, an increase of 1,400. There are 260 secondary schools which represents an increase of more than 90. There are 26 upper secondary schools, an increase of 16. In Vientiane City and Province alone there is a total of 1,000 schools: 900 elementary schools which is an increase of 100, 60 secondary schools which is an increase of 10 and 4 upper secondary schools. There are a total of over 139,400 students, an increase of 10 percent. There are more than 112,500 elementary pupils, more than 23,900 secondary students and more than 3,000 upper secondary students. Presently all provinces throughout the nation have upper secondary schools, districts and cantons have secondary schools, rural and mountain zones have elementary and non-professionally taught elementary schools.

Along with that vocational education is steadily expanding. During the school year there were some 24 teacher training schools, 15 of which were beginning level. The total number of students in beginning level teacher training was 3,900. There are 8 mid-level schools in the provinces of Oudomsai, Xieng Khouang, Luang Prabang, Vientiane, Savannakhet, Champassak, a mid-level kindergarten teacher training school (Vientiane), and a mid-level teacher upgrading school at Km 8 (Vientiane) with more than 3,300 students. In the mid-level kindergarten teacher training school there are more than 600 students. There is one upper-level teacher training school, in Vientiane Province with more than 1,100 students. Throughout the country there are some 8,300 students in teacher training, an increase of 15

percent. There are some 7 technical schools with 2,000 students. Aside from the vocational schools under the Ministry of Education, Sports and Religious Affairs, there are also other vocational schools under the ministries directly concerned such as the Ministry of Public Health, the Ministry of Communication, Public Works and Transportation, the Ministry of Posts and Telecommunications, the Ministry of Agriculture, Forestry and Irrigation, the Finance Ministry, the Ministry of Propaganda, Information, Culture and Tourism and others.

CSO: 4206

MONKS OPEN SCHOOL YEAR, PROPAGATION OF FAITH EMPHASIZED

Vientiane SIANG PASASON in Lao 20 Nov 79 pp 1, 3

[Article: "Opening of Teacher Training School and Monks' Upper Secondary School"]

[Text] In the afternoon of 17 November at the Vat Ong Tu [temple] in Vientiane City, a ceremony was held to formally open the Monks' Teacher Training and Upper Secondary School for the 1979-80 school year.

Attending the ceremony was the Venerable Teacher Thongkhoun Anantasounthon, chairman of the central committee of the Lao Unified Buddhists Association, the Vientiane Province Monks' Education Committee, the [Meuang] Chantabouri District Monks' Education Committee, students and teachers along with the upper secondary school monks.

Also attending the meeting was Mr Khamfong Manivong, chief of the Department of Religious Affairs in the Ministry of Education, Sports and Religious Affairs and the [Meuang] Chantabouli District Education and Religious Affairs Committee, along with distinguished senior citizens and religious people from the villages of Hai Sok, Ong Tu, Inpeng, Misai and Vat Chan.

Reports from the schools' administrative committee revealed that for the 1979-80 school year there are student monks attending from all provinces, numbering 341 in all. Of those there are 116 monks studying to be primary teachers, 63 monks in the mid-level nature studies, 113 in social studies and 112 monks are in the monks' upper secondary course. There was an increase of 119 student monks. Of those, some 86 are in teacher training, 33 more in upper secondary. There are 5 monks teaching at the middle level and 37 lay teachers at the elementary, middle and upper levels.

On this occasion, Mr Khamfong Manivong and the Venerable Teacher Thongkhoun Anantasounthon took turns in expressing their opinions, notably emphasizing the importance that the education task go one step ahead of other tasks to respond to the task in transforming and building socialism along with proselytizing the precepts of the Lord Buddha in our country. They also called upon all the student monks to put all efforts into determined study with a spirit of solidarity and mutual help so that together they could overcome all obstacles so that their teaching and study would meet the goals of the school.

'TROUBLE' CITED IN LOUANG NAMTHA, LUANG PRABANG AREA

Vientiane SIANG PASASON in Lao 21 Nov 79 p 2

['Letter Answered' Column: "Halting Travel in the Localities"]

[Excerpt] Dear Editor: My name is Keomanivan. I am an education cadre and am being rotated to Louang Namtha. When I was leaving Luang Prabang, some local officers at checkpoints halted travel temporarily. They claimed that there was trouble. On the other hand, people they knew were allowed to go, but my group was not. If they really meant to stop travel, why wasn't all river, air and land traffic halted? What reason did they have for shutting things down in this way? Did they receive proper authorization to halt traffic from the central echelon?

First of all, SIANG PASASON wishes to praise Comrade Keomanivan for being concerned enough about his duties to not wish to delay and waste time, for fear that he would not be able to fulfill the duties assigned him by the organization. However, in being concerned so as to become impatient, as a cadre one should take an all-round view of the reasons. In shutting down travel, there are things like the possibility of accidents or on the other hand, it may have been for the safety of the passengers and that is as it should be. As we recognize, the situation in the north is troubled. Therefore we should obey the local officials because we don't know the local situation as well as they do. As for the matter of letting other people go, it could be that they had urgent duties or that they had duties specifically pertaining to the incident at hand. On the other hand, it would be different if they had different reasons for going. As for the reasons that led [the officials] to shut things down, you yourself said that the local officials told you there was trouble.

CSO: 4206

INDUSTRY AND TRADE SECTORS REPORT VOLUME OF GOODS

Vientiane Foodstuffs Corporation

Vientiane VIENTIANE MAI in Lao 17 Nov 79 pp 1,3,4

[Text] In 1979 the cadres and organizational workers of the Foodstuffs Corporation under the Vientiane Department of Industry and Trade put their mental and physical strength into the work assigned them by the party and the state. They worked with a high sense of responsibility and got good results.

They sold a great quantity of foodstuffs to improve the lives of cadres, soldiers, policemen and the working people of all nationalities at the central level and the 21 departments of Vientiane City and Province.

They had 202,490 Pao (more than 200,000 tong) of glutinous and long-grain rice, 4,197,592 kilograms of baking flour, corn flour and other flours, 278,474.5 kilograms of sugar [as published], 24,523 liters of salad oil, 75,308 kilograms of butter, 311,333 tins of meat, 346,471 tins of fish, 29,568 tins of baby food, 4,497 tins of mixed foods, 274,471 cans of milk, 890 kilograms of powdered eggs, 5,635 kilograms of coffee, 81,326 kilograms of powdered milk, 52,313 liters of fish sauce, 1,438 bottles of vinegar, 26,371.5 kilograms of salt, 65,945 kilograms of processed fish, 66,942 bags of fish-shaped biscuits, 23,993 bags of noodles, 29,536 crates of soda pop, 2,275 crates of beer, 145 crates of soda water, 52,710 kilograms of bran, 18,230 kilograms of powdered rice (Khao pian) and 20 boxes of fishhooks.

Houn District Rice Sales

Vientiane KHAOSAN PATHET LAO in Lao 17 Nov 79 p A 4

[Text] In October the multi-ethnic population in the various localities of [Meuang] Houn District, Oudomsai Province voluntarily sold their surplus rice totalling more than 17 tons to state stores. This sale of milled rice by the multi-ethnic population to the state stores not only allows the state to improve the living conditions of the cadres, soldiers, workers, and state employees as well as the local people who have been hit by natural disasters, but it also is a great contribution to creating an income for the local people.

Vientiane Sawmills

Vientiane VIENTIANE MAI in Lao 24 Nov 79 pp 1, 3

[Text] Since the beginning of the year the cadres and workers in various sawmills under the Vientiane City and Province Department of Agriculture, Forestry and Irrigation were in firm solidarity in promoting a spirit of mastery of their factories, bringing their initiative into their work and raising its efficiency to levels higher than before.

Primary among them are six sawmills: Km 9/1 Sawmill and Km 9/2 Sawmill located in the Dong Dok area, the Hat Kiang Sawmill in [Meuang] Saithani District, the Sa Ka Sawmill in [Meuang] Phon Hong District, the Thong Mang and Kao Liao Sawmills have been able to bring hundreds of logs, both hard- and soft-woods into their sawmills.

In actual production, the wood was sawed for various types of construction and also for export. This amounted to 14,812,315 cubic meters. Of that, more than 4,000 square meters, both soft- and hard-woods were finished products.

After production, they carried out distribution to the construction bases and to factories, schools and hospitals. They even exported for trade and exchange for construction materials needed by society.

Rattan Handicrafts Factory

Vientiane VIENTIANE MAI in Lao 24 Nov 79 pp 1, 3

[Text] Since the beginning of 1979 the cadres and workers of the Rattanware Handicrafts Factory under the Vientiane City and Province Department of Industry and Trade have been determined to perform their specialized tasks to meet the demands of society and achieve results.

They have been able to manufacture 88 beds, 60 cradles, 72 tables, 1,058 chairs, 31 document storage cabinets, 7 reception platforms and hundreds of other items. The sale value of all this was more than 6.7 million kip.

With this factory's production, although the equipment used was not sufficient to meet the needs, there was a spirit of cheerfulness and solidarity in mutual assistance on the part of all the workers in each phase of the work and they were able to achieve these good results.

Presently, the cadres and workers in this factory are continuing in their determination to perform their duties cheerfully in order to score actual achievements for the 4th anniversary of the 2 December National Day.

Houa Phan Pharmaceutical Production

Vientiane KHAOSAN PATHET LAO in Lao 26 Nov 79 p A 7

[Text] Since the beginning of the year to the end of October, the cadres, organizational workers and laborers of the No 1 Medicine Factory in Houa Phan Province have expanded their initiative and their spirit of responsibility in their work, successfully fulfilling the established plan.

During that time they produced more than 1,660 bottles of yam distillate, more than 500 bottles of *Asclepias curassavica* L. distillate, 17,850 bottles of Vitamin B12, 2,460 boxes of elephant brand medicine, 770 boxes of leech and mosquito repellent, and many tens of thousands of tablets of stomach medicine, ya kha me thong [?medicine for pregnancy], and anti-septic.

Along with this, in a spirit of self-sufficiency and self-reliance they also worked to boost production in crops and in animal husbandry to a satisfactory extent which partially reduced the state's burden concerning foodstuffs.

CSO: 4206

LETTER WRITERS COMPLAIN OF SPOILED GOODS, BLACK MARKET PRODUCTS

Vientiane SIANG PASASON in Lao 28 Nov 79 p 2

['Letters Answered' Column: "Selling Spoiled Goods"]

[Excerpts] Dear SIANG PASASON Editors:

Every month in the past, the cooperative has made our purchases and brings the goods from the trade sector for distribution. There are some things that we don't want and some spoiled goods such as powdered milk, rotten processed fish, canned goods etc... When nobody buys these goods the trading cooperative takes a cut out of our salaries to pay for these goods. Sometimes this amounts to 4,000 kip whether we take the goods or not. Is this way of doing things correct?

From: Thao Veunvang Poudtalat, forestry engineer

[Answer:] SIANG PASASON considers this to be incorrect. The trading cooperative must make precise calculations when it goes to pick up goods at the stores. It should get things that are necessary for the improvement of living standards and everyday consumption. This should be done so as to know what the people need in terms of the goods available at the stores. The trading cooperative should make prior announcements concerning the types of goods and prices and then take down the names of those who want them, and then pick up the goods accordingly. This would be done so as to ensure that there would be neither surpluses or shortages, and would preclude the waste of money. Unnecessary items or items that nobody wants should not be picked up, especially spoiled items. If things are done otherwise, it is not only not a good way to solve the problem of living conditions, but it also harms the people's health.

It is also incorrect that salaries be attached to pay for those goods because those people whose specialized skills are still at a low level are hit hard by this in their living conditions and daily work. In remedying this situation, SIANG PASASON feels that the trading cooperative of that location should no longer take people's money if they don't buy the goods, whether or not the goods are spoiled. Furthermore, before the goods are picked up at the trade sector, one must look over the people and not get things people don't want.

Why are so many state products such as soda pop, plywood, Fab, tobacco and others sold on the open market? Also, are the market prices controlled?

[Answer:] We have contacted the Ministry of Industry on this matter. They said that there are some goods such as Fab which are bought from private factories. Other things they buy from other countries as well as those which foreign countries provide as assistance to Laos. Some types of goods come from smuggling on the part of some groups of private traders. Some goods our state employees buy from their own trading cooperatives. Instead of using these things within their families, they sell them to private shopkeepers in the open market for personal profit. The only solution to this is that everyone must be the master of the nation and when they see something wrong it is their duty to warn each other.

CSO: 4206

COOPERATIVES SAID TO MAKE GOOD PROGRESS IN HARVESTS, PRIVATE FARMS LAG

Vientiane SIANG PASASON in Lao 26 Nov 79 pp 1, 3

[Editorial: "Urgently Do a Good Job of Harvesting and Storing Rice"]

[Text] Initial figures show that up to now our farmers in agricultural cooperatives have completed more than 80 percent of the annual rice harvest. That is a great accomplishment in expanding the work of a collective, socialist livelihood, because it comes from an appropriate division of labor in the cooperatives and it constantly increases the efficiency of the work and vastly surpasses work done individually.

However, when one looks at the overall situation, this year our people's harvesting has still not been completed, especially in many localities which do not yet have the conditions to establish agricultural cooperatives. In these places, the harvest is proceeding slowly. In some places, they are even being overtaken by the dry rice farming season. Therefore, all echelons of administrative authorities, especially the base-level administrative authorities in the remote areas, in the mountains and in those areas still without the conditions to establish agricultural cooperatives, must constantly consider the harvest conditions faced by the farmers in their areas. In whatever they do, they must make our farmers' harvest a good one, done rapidly and without losses. This must be done so as to give them sufficient time in preparation and in carrying out the seasonal production plans set forth by the party and the state as in dry season rice cultivation and in the cultivation of other crops.

In promoting this task, the important thing is that all levels of administrative authorities must closely keep track of harvest conditions in their localities to see how quickly the work is done and which places lack labor, or if not, are in poor shape organizationally. Then they should urgently correct the situation with a quick realistic reorganizing of the work internally. Or, we could mobilize the labor force of organizations such as the Women's Association, Youth, and village or canton students to go into areas faced with labor shortages in their harvesting and storing. In the agricultural cooperatives, the cooperative administrative committees should take this opportunity to open short-term emulation campaigns under the slogan "Harvest Quickly, Store Well and Thresh Thoroughly."

This would be in order to aim at raising the efficiency of taking shortest amount of time to harvest, thresh and store the rice so as to give the cooperative members sufficient time for the production of subsidiary crops within their families and to prepare for the making of daily labor points in carrying out the 1980 production plan of the cooperative.

Harvesting and storing rice is an important task which is the summation of the work for the entire year of our farmers throughout the nation and it is the single achievement on the part of the farmers in carrying out their duties to the state and society. Therefore, carrying out this task well means that the administrative authorities in those localities were strong and that the people of that localities were motivated and expanded their right to collective mastery.

CSO: 4206

DEVELOPMENTS IN LIVESTOCK SECTOR NOTED FOR 1979

Vientiane SIANG PASASON in Lao 19 Nov 79 pp 1, 3

[Excerpt] According to still incomplete statistics, in 1979 the number of large animals for draft power increased by 0.2 percent and small animals for slaughter or eggs increased substantially, as compared with 1976 following liberation. Of that, in Saravane Province alone, the number of new-born buffaloes was 667 and there were 1,768 calves born. In Phong Saly Province, in small animals alone, the increase was more than 14,000. Moreover the people in the localities are promoting fish-raising. The best performance was in Houa Phan Province where 215 new fish ponds were dug.

At the same time the people of all provinces in the country continued to upgrade the livestock units of various types in order to be able to produce good breeding stock for the people to raise. They are building a large-scale settlement in Lad Sen in Xieng Khouang Province.

So as to ensure [draft] power and the expansion of the various types of animal husbandry, the different echelons of administrative authorities have trained many teams of veterinary cadres to be sent to livestock units to carry out vaccination campaigns and to popularize animal husbandry methods to people in the bases. An example is in Luang Prabang Province where tens of thousands of animals have been vaccinated. Of those, there are more than 29,500 buffalo, 8,400 oxen, 5,400 horses, 5,300 sheep and goats, more than 66,300 pigs and a great many more small animals.

In summary, the country has been able to raise more fish for consumption to serve society than in the past.

CSO: 4206

BRIEFS

MONG STATISTICS--In Laos the majority [of the Mong] are scattered throughout the upper portions of the mountain zones. Most of them live in the provinces of Phong Saly, Xieng Khouang, Sam Neua [as published], Louang Namtha, Luang Prabang, Vientiane and Sayaboury. The population numbers approximately 150,000. [Excerpt] [Vientiane SIANG PASASON in Lao 19 Nov 79 p 2]

STARCHY CROP PRODUCTION--During this year's production season, the people of [Meuang] Khanthabouli District of Savannakhet Province, aside from diligently producing the annual rice crop, also mobilized themselves to plant subsidiary, starchy crops and industrial crops in a widespread fashion. During this time, they planted 400 hectares of corn, 100 hectares of manioc, sweet potatoes, and taro, more than 740 hectares of soybeans, peanuts, and mung beans, more than 370 hectares of cotton and more than 60 hectares of tobacco. News reports also state that during the same time the people in various localities of Luang Prabang Province mobilized themselves to complete the planting of industrial crops on more than 120 hectares which included mung beans, peanuts, coffee and tobacco. Presently the people of each of those places are constantly paying attention to taking care of the crops so as to ensure a good harvest in line with their goals. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 19 Nov 79 p A 8]

BANK DEPOSITS AND BRANCHES--At the end of October the cadres and organizational workers of the Propaganda, Education and Public Health Departments in the district and province of Champassak voluntarily brought in their savings for deposit in the state bank. The total amount was 286,000 kip. The deposit of money that had been just sitting idle not only mobilizes a movement to save money among the masses, but also plays a part in capital formation for the state's use in building the nation, expanding production, promoting the circulation of goods, and improving living conditions for the people. It also improves the balance between income and expenditures of cash receipts in each locality and it contributes to maintaining a stable purchasing power for the kip. News reports also state that on 26 October the National Bank in Luang Prabang Province formally turned over branches to the administrative authorities in [Meuang] Ngoi, [Meuang] Pak Seng and [Meuang] Oudomsai Districts. This was done so that the people would be helped in depositing their savings in increasing amounts to the state bank. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 15 Nov 79 p A 4]

VIENTIANE FORESTRY WORK--In order to guarantee good results in accordance with the line set forth by the party and the state [as published] in production in factories and to carry out specialized tasks in building factories, schools and hospitals and also for export. In 1979, cadres and workers of the Sector for Control and Exploitation of Forests in the Department of Agriculture, Forestry and Irrigation of Vientiane City and Province have paid attention to sending cadres to carry out forestry surveys and to remove a great many old trees that had been felled and then left in the forest. These were put into use in building the nation. During that time they were able to bring out a total of 51,347 cubic meters of wood. Of that, wood brought out from the Nam Ngum Dam amounted to 14,719 cubic meters and 20,000 cubic meters were brought out from other areas of Vientiane Province. This exceeded planned production by 2 percent. Along with that, the Sector for Control and Exploitation of Forests also paid attention to planting seedlings in [Meuang] Saithani District on 1.5 hectares and trained 40 technical cadres for the district and province and trained a network of cadres to protect the forests in the villages and cantons. [Text] [Vientiane VIENTIANE MAI in Lao 23 Nov 79 pp 1, 2]

VIENTIANE STARCHY CROPS--In this year's agricultural production season, while paying primary attention to rice planting, the farmers in the various localities in the 15 districts of Vientiane City and Province are united in working to plant starchy crops, industrial crops and long-term fruit trees. The results have been good. According to statistics which are not yet complete, in 1979's production season the localities planted more than 2,600 hectares of peanuts, mung beans, taro, corn, manioc, and sweet potatoes. They planted more than 1,200 hectares of tobacco, sugar cane and others. Aside from this they also determinedly planted such long-term fruit trees as mango, jackfruit, longan and others in great quantities. This has played a part in further raising people's standard of living. [Text] [Vientiane VIENTIANE MAI in Lao 28 Nov 79 p 1]

TEXTILE PRODUCTION--Since the beginning of the year the cadres and workers of the Sok Pa Louang Textile Factory, a part of the Vientiane City and Province Department of Industry and Trade, joined each other with the determination to carry out their specialized tasks. In order to serve the demands of the cadres, workers and multi-ethnic people they were able to produce 3,960 skirts of various types, 3,240 patterned skirts, 3,250 dresses, 5,040 bath towels, 8,000 meters of cloth for dress-making, and 7,560 meters of cotton cloth. The spinning section was able to spin 10,080 spools, 54,000 reels and made 11,520 warps for weaving. From each warp it is possible to make more than 200 skirts. Although the production of this factory was hampered by difficulties over the past year, primarily because of inadequate equipment, because each worker had solidarity, love and [a sense of] mutual assistance, a determination to untiringly perform his specialized task day and night, they were able to normalize production with the good results mentioned above. Presently the workers of that factory are continuing in their determination to carry out their specialized tasks in order to score achievements to hail the 4th anniversary of the 2 December National Day. [Text] [Vientiane VIENTIANE MAI in Lao 27 Nov 79 p 1]

SANASOMBOUN AGRICULTURAL COOPS--[Meuang] Sanasomboun District is one of 10 districts in Champassak Province. It has 6 cantons and 75 villages. The change to agricultural cooperatives by the people of the district has been carried out cheerfully and as of now there are 71 agricultural cooperatives throughout the district. There are 31,690 members, which is 90 percent of the total number of farmers. [Excerpts] [Vientiane SIANG PASASON in Lao 28 Nov 79 p 2]

CSO: 4206

BRIEFS

ILO GRANT--ILO has agreed to provide grant assistance to Nepal of 24.144 million rupees for implementation of 8 hill irrigation projects and 11 minor irrigational schemes. According to the Finance Ministry a letter of understanding to this effect was signed on 13 December between Nepal and the ILO. [BK161601 Katmandu External Service in English 1450 GMT 13 Dec 79 BK]

CSO: 4220

FINANCE MINISTER OUTLINES FIRST QUARTER SPENDING

OW031151 Taipei CNA in English 0936 GMT 3 Nov 79 OW

[Text] Taipei, 3 Nov (CNA)--Government spendings for the first three months of fiscal 1980 (July-September) were considerably larger than revenues collected, Finance Minister Philip C. C. Chang reported Saturday. Speaking before the Finance Committee of the Legislative Yuan, Chang said the public coffers received a total of NT dollars 37,353 million (about \$1,037 million) in the period, accounting for 19.24 percent of the revenues for the whole fiscal year.

In the same period, government disbursement amounted to NT dollars 51,726 million, (about \$1,437 million), or 26.64 percent of the whole year's spending target, and NT dollars 14,375 million over the government revenues. The difference was made up by appropriation from the surpluses carried over from fiscal 1979, which amounted to NT dollars 21,600 million (about \$600 million).

The finance minister said the low figure of government revenues was due to the fact that it was a period of off season for tax collection and that monopoly sales proceeds and earnings from the state enterprises had not yet been turned in.

The large amounts of spendings were necessitated by advance appropriations to meet defense needs and investments in the public sector, Chang explained. Defense appropriations in the three months totalled NT dollars 11 billion (\$305 million), accounting for 44 percent of a special budget for defense; part of the money was spent for procurement of war material and part of it went to the national defense development fund.

The finance minister reported that public donations to the defense chest had reached NT dollars 3,293 million (\$91 million) by the end of September. Out of this amount NT dollars 2.5 billion (\$69 million), was channeled to the national defense development fund with the rest kept under a special bank account to be ready for use.

Despite the disrupture of diplomatic relations with the United States, the Republic of China has been able to maintain its high credit standing, Chang said. Borrowing from European banks is on the increase, he added.

As of the end of last August, the Republic of China's foreign loans aggregated approximately \$3,547 million, not including those approved or in the process of negotiation.

Chang noted that the government has already raised the ceiling for foreign loans from the original \$4.5 billion on \$6.5 billion so as to secure enough funds to finance the various projects under the current six-year economic development plan.

CSO: 4220

'AFP' ON CURRENT STATE OF TAIWAN 'FORMOSA' ARRESTS

OW150640 Hong Kong AFP in English 0625 GMT 15 Dec 79 OW

[Excerpt] Taipei, 15 Dec (AFP)--Military authorities have almost wound up arrests of key figures of the local opposition magazine FORMOSA on treason charges following their alleged instigation of a riot in southern Kaohsiung Monday injuring 182 military and civilian police, a government spokesman said today.

One man is still at large, the magazine's general manager Shih Minh-teh, who sneaked away during a mass roundup of 14 people by agents of the Taiwan garrison command Thursday.

The magazine's publisher, legislator Huang Hsin-chieh, 52, was arrested yesterday after the legislative Yuan gave consent to the arrest in accordance with the nationalist Chinese constitution.

The garrison command has offered 500,000 Taiwan dollars (\$11,000) for information leading to the arrest of Shih Ming-teh, the sole suspect at large.

The offer was made after the American Institute in Taiwan (AIT), a semi-official representation in Taipei, invited security authorities to search its premises to find no trace of Shih, thus clarifying rumors here that Shih was hiding at AIT.

Shih's American wife, Linda Arrigo, declared persona nongrata, left Taipei today. Ms Arrigo, from California, claims she is a writer for AMNESTY INTERNATIONAL.

Of the 14 apprehended Thursday, all native Taiwanese, two are members of the Taiwan Provincial Assembly: Chang Chun-hung, 41, editor-in-chief of the FORMOSA Magazine, Lin Yi-hsiung, 38, a licensed lawyer, in charge of distribution.

Another arrested lawyer, Yao Chia-wen, 41, is the legal adviser to the magazine. He had previously defended on behalf of other Taiwanese dissidents on sedition charges.

There are two women in the group, Lu Hsiu-lien, 35, an advocate of "new women's lib" movement, and Chen Chu, 29, a former aide to Mr Kuo Yu-hsin, a leader of Taiwan independent movement now in the United States.

The others are either editors or distribution staffs of the magazine:

Wang To, 35, a novelist, Chou Ping-teh, 40, pen-named "Taiwan Buffalo," Yang Chin-chu, 40, another novelist, Su Chiu-chen, 44, a pardoned ex-con also on sedition charges, Chi Wan-shen, 50, editorial staff, Chang Fu-chung, 27, writer of the government banned book "Long Live Elections", Chiu Yi-pin, 29, a dentist on probation of a three-year sentence for purgery, Chen Chun-hsin, 30, editor and Wei Ting-chao, 43, editor, also another ex-con.

Three men were also arrested in connection with the rioting: Chen Fu-lai, Chen Min-hsiung and Lin Hsin-chi.

Chen is a friend of Chou Ping-teh, head of the FORMOSA Magazine's Kaohsiung branch, who operates a tea house for the magazine in addition to serving as a delivery boy.

Chen allegedly attacked policemen and damaged police vehicles in the company of two employees of the magazine on 9 December when the police tried to stop them using loudspeaker-equipped trucks to announce the rally the next day.

Chen Min-hsiung and Lin Hsin-chi, also employees of the magazine, were accused of attacking security personnel with wooden clubs during the Monday night riot.

Chen Min-hsiung was released by security authorities yesterday on ground of insufficient evidence.

Thus a total of 17 people are up to now in the custody of the security authorities in connection with the 10 October incident.

The Monday night riot occurred during a mass rally sponsored by the FORMOSA Magazine in celebration of the World Human Rights Day.

Security authorities refused to grant a permit for the gathering as the application said some 30,000 people were expected to attend, according to Police Commissioner General Kung Ling-cheng.

As military and civilian police, including the riot squad, attempted a cordon at the main thoroughfares leading to a public park where the rally took place, "people feared and clashed with the invading police," Mr Yao Chia-wen, legal adviser to the magazine, said at a subsequent press conference.

Yao also accused the government of "treating the general public as enemies," by sending troops to the scene.

The security troops were not equipped with firearms but with batons and shields, General Kung said.

Latest statement from the spokesman for the Taiwan garrison command, which is handling the case under a martial law declared by the government 30 years ago in 1949, indicated that whether opposition legislator Huang and his followers will be tried at a military tribunal or civilian court depends on the outcome of the investigation.

If the arrested were found guilty of treason, they would be courtmartialed. Otherwise, the case will be handled according to the criminal code, the spokesman said.

Military prosecutors are allowed by law two months for investigation and an extension of another two months.

CSO: 4220

TAIWAN, SAUDI ARABIA SIGN FERTILIZER PLANT AGREEMENT

OW041457 Taipei CNA in English 1406 GMT 4 Dec 79 OW

[Text] Taipei, 4 Dec (CNA)--The Republic of China and the Kingdom of Saudi Arabia Tuesday signed a joint venture agreement on establishment of a fertilizer plant in Saudi Arabia.

Economic Minister Chang Kwang-shih and 'Abd al-'Aziz A. al Zamil, vice chairman and managing director of Saudi Basic Industries Corp., on behalf of their respective countries, signed the agreement at a ceremony which took place at the Grand Hotel in Taipei Tuesday afternoon.

Speaking at the ceremony, Economics Minister Chang Kwang-shih said that the joint venture to build a fertilizer complex at Jubail, Saudi Arabia, "can be regarded as an important milestone in the history of our successful bilateral economic cooperation because it is the first joint venture to build an industry in Saudi Arabia. We regard this kind of cooperation even more meaningful than other forms of economic cooperation," Chang said.

The complex is designed not only to make effective use of a scarce and precious natural resource, but also to help produce millions of tons of agricultural products a year to increase the global supply of food to feed many hungry people in the world, Minister Chang pointed out.

Therefore, Chang said, this project benefits both participating countries and will contribute significantly to the alleviation of one of world's most pressing problems.

Minister Chang said: "We would be most pleased to make this joint venture a good example for further Saudi-Chinese joint-venture projects, to come."

Addressing the ceremony, Abd al-'Aziz A. al Zamil said: "The relationship between the Republic of China and Saudi Arabia has been growing steadily. The close and friendly relationship between the two countries is based on trust and mutual confidence."

Al Zamil said that his country "admires the principles and ideals which the Republic of China adheres to. Our mutual close relationship is a natural result of the ideas in which both of our peoples believe."

This agreement signed Tuesday represents a clear effort of two friendly peoples pooling their resources together, he said.

"Although this agreement will make it possible for your people to benefit from our gas resources and financial capabilities, our people will benefit from your advanced know-how and managerial capability," al Zamil said.

However, this agreement represents much more than exchange of material assets. It really represents the determination of both countries to forge closer bounds of friendship, al Zamil stressed.

Al Zamil pledged that "we will do all we can to make this project a success."

Under the agreement, the Saudi Arabian Basic Industries Corp. and the Taiwan Fertilizer Co., both state-operated enterprises, will jointly establish a fertilizer plant in Jubail on the Arabian Gulf. The plant will be able to produce 500,000 metric tons of urea a year.

The Taiwan Fertilizer Co. will provide the necessary technology and service for the project.

The project calls for an investment of \$357 million equally shared by the two countries. It is scheduled to be completed in late 1982. Most of the products will be for export, particularly to Taiwan and the markets in Southeast Asia. The Taiwan Fertilizer Co. has promised to purchase 60 percent of the output.

This is the fourth final joint venture agreement signed by the Saudi Basic Industries Corp. following the agreements for the iron and steel project at al-Jubail, and expansion of the Jeddah steel rolling mill and the methanol project.

Attending the ceremony were more than 500 government officials, industrial leaders and Saudi delegates.

Chinese ambassador to Saudi Arabia Hsueh Yu-chi also attended the ceremony. Ambassador Hsueh returned here Tuesday morning. The Saudi delegation led by al Zamil arrived Monday.

CSO: 4220

BRIEFS

AGRICULTURAL IMPORTS--Taipei, 7 Nov--Imports of agricultural products by the Republic of China in 1979 will reach a record 4 million tons, an official of the Ministry of Economic Affairs said Tuesday. He said the Republic of China imported 3,266,000 tons of wheat, barley, maize, soybeans, and sorghum in the first seven months of this year. In terms of quantity, maize leads the import list followed by soybeans, wheat, sorghum, and barley. The United States is the biggest supplier of agricultural products to the Republic of China. Imports of agricultural products from the United States are expected to reach 3 million tons this year, he added. [Text] [OW080343 Taipei CNA in English 0245 GMT 7 Nov 79 OW]

FOREIGN INVESTMENTS--Taipei, 8 Nov--Foreign and overseas Chinese investments in Taiwan amounted to \$261,762,000, in the first 10 months of this year, an increase of \$103.5 million or 65.4 percent over that recorded in the same period in 1978, the Ministry of Economic Affairs said Wednesday. Of the total, \$94,192,000 was invested by overseas Chinese and the remaining \$167,570,000 came from foreigners. Foreign and overseas Chinese investors have favored the electrical appliances and electronics industry with the 10-month investments amounting to \$103.5 million, representing 35.94 percent of the total. The service industry absorbed \$64,942,000, or 24.81 percent of the overall investments in the period, followed by the chemical industry with \$21,204,000 or 8.1 percent. Foreign and overseas Chinese investments are expected to reach a record \$300 million this year, investment officials predicted. [Text] [OW080343 Taipei CNA in English 0247 GMT 8 Nov 79 OW]

NUCLEAR POWERPLANTS--Taipei, 2 Nov (CNA)--The state-run Taiwan Power Co will have established 10 nuclear powerplants before the end of this century, a spokesman said Friday. He said the 10 plants will have 24 generators with a combined capacity of 24.94 million kilowatts. The company is carrying out a longterm nuclear power development program in three stages. The first stage, which is already under way, will be completed in 1985. Three nuclear powerplants with a total power generation capacity of more than 5 million kilowatts will be completed before May, 1985. The first nuclear powerplant has just been completed and the second and third plants are being constructed. The second-stage project will be completed in 1993. Under this project, three nuclear powerplants will be built with six generators. Their installed capacity will total 7 million kilowatts. A total of 12 generators will be installed in four plants in the third and last stage of the program. Each generator will have a capacity of 1.2 million kilowatts. The last-stage work will be completed before the end by 2000. [Taipei CNA in English 0957 GMT 2 Nov 79 OW]

FISHERY DEVELOPMENT--Taipei, 31 Oct--The government of the Republic of China had decided to promote fish exploration and development in faraway seas, with the cooperation of foreign countries, in an attempt to ensure stability for the nation's fish production growth, fishery sources disclosed Tuesday. In 1978, the total fish production was valued at NT dollars 31.8 billion, which represented 20 percent of the country's total agricultural production. According to government estimates, in the past 20 years, the annual rate of fish production growth was 8.29 percent. In the first half of this year, fish production totaled 420,900 tons, which means only 1 percent of increase, in comparison with last year's figures. This gloomy outlook was mainly due to increasing oil prices and a growing interest of nations all over the world in expanding their economic zones. [Text] [OW310421 Taipei CNA in English 0232 GMT 31 Oct 79 OW]

ANTARCTIC FISHING--Taipei, 26 Oct--The Council for Economic Planning and Development is studying a plan to explore fishery resources in the Antarctic Ocean, an official said Friday. The council said that the Republic of China's Haikung experimental vessel has twice been sent to the Antarctic Ocean, but no private fishing vessel from this nation has operated in this fishing ground. As the annual fish catch from the Antarctic Ocean is estimated at 1,000 million tons, almost 1.5 times of the overall fishery production in the world, many nations have shown interest to explore the fish resources in this area. Japan and the Soviet Union have already operated in this fishing ground. [Text] [OW300605 Taipei CNA in English 1336 GMT 26 Oct 79 OW]

AUSTRALIAN DISCRIMINATION--Taipei, 27 Oct--The Republic of China has warned the government of Australia not to discriminate against Chinese in granting entry visas, Charles Shu-chi King, the spokesman for the Ministry of Foreign Affairs said Friday. According to Australia's immigration office, every Chinese immigrant is required to provide a certificate from the government stating that he or she is not a government representative and will not engage in political activities. The Republic of China has made its position on this matter known to the Australian Government, he said. [Text] [Taipei CNA in English 0239 GMT 26 Oct 79 OW]

DISPOSABLE PERSONAL INCOME--Taipei, 18 Oct--The total disposable personal income of the people in the Republic of China totaled NT dollars 524.8 billion (\$14.58 billion) in 1978, an increase of 23.53 percent over the preceding year, official statistics showed. The ratio of the average income of the people in the top 20 percent bracket to that of the people in the lowest 20 percent dropped to 4.18 to 1 in 1978 from 4.21 to 1 in 1977, according to a survey released by the directorate general of budgets, accounting and statistics. The survey shows that the income of the people in the Republic of China kept increasing in 1978, while the gap between the rich and the poor continuing to narrow, an economic official pointed out Tuesday. The survey, made on a random sample of 14,309 households in the Republic of China, also shows that the average household disposable income in 1978 totaled NT dollars 155,737 (\$4,326) up 19.04 percent from 1977. [OW190645 Taipei CNA in English 1538 GMT 18 Oct 79 OW]

THERMAL POWER PLANTS--Taipei, 31 Oct--Taiwan Power Company plans to build 12 coal-fired thermal power plants in the coming decade so as to reduce the country's dependence on imported oil. L. C. Chen [7115 5695 4108], board chairman of the state enterprise, said the thermal plants will be part of the energy development program to be implemented between 1980 and 1990. The initial plan calls for the construction of two coal-fired power plants of 500-megawatt capacity each in Taichung and Suao. Chen said the problem is to find suitable sites for the other plants, because local residents would oppose vehemently the presence of the smoke-belching power plants in their neighborhood. Chen estimated coal imports this year will rise to 2,000,000 metric tons. The volume is expected to double in 1981, he said. [Text] [OW041449 Taipei CNA in English 0941 GMT 31 Oct 79 OW]

ENERGY COMMISSION--Taipei, 1 Nov--An energy commission was inaugurated under the Ministry of Economic Affairs to tackle the vital question of energy supply. The commission will have four sections dealing with (a) energy planning and development, (b) R & D activities, (c) data gathering and analysis and (d) management. One of the priority tasks of the commission will be the establishment of an energy research institute. It will also promote cooperative exploration overseas. [Taipei CNA in English 0945 GMT 1 Nov 79 OW]

CANADIAN COAL--Taipei, 2 Nov--The Taiwan Power Co. has signed a tentative agreement with Norco Resources Ltd. of Canada to buy coal, and also to establish a joint venture to mine coal near Prince George in Canada, Cheng Wang-fan, director of the fuel department of the Taiwan Power Co., said Thursday. Cheng said that the Taiwan Power Co. sent a coal mine representative mission to the United States and Canada in July, while a similar Canadian mission came to Taiwan. After discussions between the two sides, both firms signed a tentative agreement in October to cooperate in the development of coal mining, he added. Their mining operations will commence in 1982, Cheng said. [Excerpt] [Taipei CNA in English 0311 GMT 2 Nov 79 OW]

SOUTH AFRICAN ENVOY APPOINTED--(Lewis Bourcher), undersecretary of the Ministry of Foreign Affairs of the Republic of South Africa has been appointed to replace Willem Pretorius the current South African ambassador to the Republic of China. (Bourcher), who served as ambassador to the Republic of Malawi from 1973 to 1977, is scheduled to take over the new post in January. Mr Pretorius who has been in Taiwan for over 4 years will return to South Africa on 16 December. [OW030525 Taipei International Service in English 0100 GMT 1 Dec 79 OW]

CSO: 4220

CLANDESTINE CPT PUBLICATION REPORTED

Bangkok TAWAN SIAM in Thai 26 Nov 79 p 5

["Things You Should Know About Politics" Column by Dr Pricha Hongkraitert]

[Text] The publication of a monthly journal entitled TAWAN DAENG [RED SUN], distributed in stores, schools, government offices and in many public places is a propaganda technique of the Communist Party of Thailand [CPT] to spread their communist doctrine in expanding their united front and in seeking new members.

The announcement was made by Lt Kitti Prathumkeo, the governor of Phattalung Province who gave interviews to newsmen and the mass media. He said that at this time communist terrorists (CT's) are publishing a monthly journal named TAWAN DAENG, a CPT journal. This is being distributed throughout the province and its districts in schools, stores and in many government offices. Those publishing it are trying to make this a weekly magazine. Its political line is selling well in the markets these days, but the paper and technical aspects are not yet up to standard because it is produced in the jungle.

According to the investigation by Lert Keonoi, the chief of investigation in Han Pho subdistrict, Khaochaison District, Phattalung Province, and passed on to Police Captain Kittiwet Raiwong the inspector of the Khaochaison District police station. It was found that the first issue of TAWAN DAENG distributed was 46 pages thick. The front cover had a black and white figure drawn by hand and the publication was mimeographed. The contents of the publication was news, commentary, folk tales, etc, but the communist propaganda of the CPT's ideology was buried inside.

In this matter the governor of Phattalung Province expressed the view that provincial authorities would respond to the contents of the publication by reporting the facts to the people on each occasion which would wipe out the slanders of the CPT in Phattalung. This is because when the people know the facts behind these accusations, they will on their own lose faith in the propaganda put out by the publishers.

This writer very much supports the governor of Phattalung, because the use of force to suppress those who publish and disseminate communist doctrine and the complete destruction of the documents might not be successful politically. This is because the CPT might make propaganda in other ways that would make the government look as if it were not brave enough to fight the truth and that the government was "criminal" just as the publication claims. This would demonstrate that the government was indirectly closing the people's ears and eyes. If so, the Thai Government's strategy of fighting communist subversion would be at a great disadvantage politically. Therefore, revealing the facts and giving correct information to the people is sure to get better political results.

We must admit that after the radio station "Voice of the People of Thailand" (VOPT) closed itself down long ago, it forced the CPT to find other means of spreading its communist doctrine and ideology. Instead of a publication, which is another way of getting the word out for them, this writer thinks that we should support the opinions of the governor of Phattalung in revealing the facts. It might be done by a monthly journal of factual information as is done by the document of the "Group of Songkhla democrats" which is published and distributed from time to time to various groups of people, notably in the south. Therefore, the ideas of the Phattalung governor should receive extensive support.

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